SAMPLE

Competency-Based
Competitive Events
*Written Exam*

Test:  ST-BA-10A
Booklet Number _____

# Business Administration
# Core Exam

INSTRUCTIONS:  This is a timed, comprehensive exam for the occupational area
identified above.  Do not open this booklet until instructed to do so by the
testing monitor.  You will have _____ minutes to complete all questions.

1. A business that is owned by two or more people who share the risk of loss and the chance for profit is known as a
   - A. corporation.
   - B. sole proprietorship.
   - C. franchise.
   - D. partnership.

2. Which of the following usually is the first step in applying written directions to achieve tasks:
   - A. Listening
   - B. Reading
   - C. Speaking
   - D. Questioning

3. What type of information concerning policies and procedures do employees often extract from an internal business report?
   - A. Former local competitors
   - B. Customer profiles
   - C. Industry research data
   - D. New personnel regulations

4. Sometimes, the ability to follow directions is a skill that is necessary for you to get along in the world around you. This is known as a(n)
   - A. academic skill.
   - B. family skill.
   - C. social skill.
   - D. life skill.

5. Eye contact, facial expression, and body language are examples of
   - A. nonverbal cues.
   - B. verbal acknowledgement responses.
   - C. distractions.
   - D. listening skills.

6. One reason that it is important to be very careful when using oral communication in business is that oral communication
   - A. is generally not misunderstood.
   - B. should only be used for urgent messages.
   - C. may not be remembered accurately.
   - D. is an informal communication method.

7. In which of the following situations might it be difficult to give effective verbal directions:
   - A. Managers are organized.
   - B. Time is important.
   - C. Information is complex.
   - D. Employees are focused.

8. What should employees be willing to accept when defending their ideas objectively?
   - A. Personal attack
   - B. Additional responsibility
   - C. Nonverbal support
   - D. Critical feedback

9. Employees should answer the telephone in a businesslike manner in order to
   - A. project the image of the business.
   - B. reflect the importance of the job.
   - C. handle a lot of calls at one time.
   - D. be a candidate for a promotion.

10. A group is a number of people who
    - A. feel the same way about an issue.
    - B. get together to do something.
    - C. come up with different answers.
    - D. enjoy each other's company.

11. Which of the following is a guideline for writing clear instructions for your coworkers:
    - A. Write complex, lengthy statements.
    - B. Write from your supervisor's perspective.
    - C. Understand the process you are explaining.
    - D. Confine the instructions to one page.

12. The Putnam Company requires its employees to use the Modern Language Association (MLA) stylebook when writing business documents because it provides
    - A. flexibility.
    - B. creativity.
    - C. consistency.
    - D. accuracy.

13. What often appears at the bottom of a business letter if a sales brochure is attached?
    - A. Company signature
    - B. Reference initials
    - C. Enclosure notation
    - D. Writer's identification

14. When writing informational messages, it is most important to communicate
   A. a request for action.
   B. emotional appeal.
   C. an honest opinion.
   D. accurate content.

15. To make a request of a business associate or customer is one of the reasons why businesspeople write
   A. persuasive messages.
   B. letters of inquiry.
   C. sales letters.
   D. corporate memorandums.

16. Which of the following messages should be communicated to an employee in person:
   A. The assistant manager is taking vacation next week.
   B. The employee's department will soon be enlarged.
   C. The business believes the employee is stealing goods.
   D. The business will offer flextime in the summer.

17. The purpose of participating in staff meetings usually is to
   A. conduct research.
   B. achieve a task.
   C. share information.
   D. develop a message.

18. What is one technique that businesses can use to build positive customer/client relations?
   A. Being consistent
   B. Resisting change
   C. Buying advertising
   D. Conducting research

19. What staff are responsible for displaying a customer-service mindset?
   A. Those with direct customer contact
   B. All staff
   C. Management
   D. Those with indirect customer contact

20. In order to handle customer inquiries, employees should have information about
   A. personal backgrounds.
   B. product maintenance.
   C. financial condition.
   D. expense projections.

21. A customer has informed you that one of your competitors is selling an identical product to the one you carry for $15.00 less than your price. Because your policy is to match competitors' prices, you decide to check with the competitor to confirm the price. The competitor tells you that the price the customer has stated is $20.00 less than the competitor's true price. With what type of customer are you working?
   A. Disagreeable
   B. Suspicious
   C. Indecisive
   D. Dishonest

22. To help their employees handle complaints fairly, many businesses establish general rules that personnel should follow, which are known as
   A. policies.
   B. regulations.
   C. procedures.
   D. techniques.

23. Which of the following is an example of an employee reinforcing a firm's image through his/her job performance:
   A. A customer waits on the telephone for several minutes while Matt confirms shipping information.
   B. Susan advises her customer that the sofa is only available by special order.
   C. Jack politely asks if his customer would like a beverage while s/he waits for car service.
   D. Angela, a human resources manager, prepares the firm's employee newsletter every month.

24. Which of the following is considered to be a shopping good:
   A. Candy bar
   B. Socks
   C. Sale shirt
   D. Television set

25. Water and air are examples of _____ resources.
   A. physical
   B. natural
   C. material
   D. unlimited

26. When less expensive substitutes for a product are readily available, then demand for that product is likely to be more
    A. unitary.
    B. elastic.
    C. urgent.
    D. inelastic.

27. Businesses that provide such benefits as physical fitness programs or career planning for their employees do so in order to
    A. save money on health insurance.
    B. maximize their profits.
    C. be socially responsible.
    D. comply with government regulations.

28. How are products allocated in a traditional economic system?
    A. By consumers' incomes
    B. By government
    C. By the marketplace
    D. By individuals

29. The difference between the selling price of a product and all the costs and expenses of selling it is known as
    A. net profit.
    B. overhead.
    C. risk.
    D. gross profit.

30. An ice storm that caves in the roof of a business facility is an example of a(n) _____ risk.
    A. human
    B. economic
    C. natural
    D. market

31. Which of the following is created when the government allows a single business to influence the entire production of a good or service:
    A. Natural monopoly
    B. Price discrimination
    C. Conservation
    D. Competition

32. Which of the following is a standard used in measuring an individual worker's productivity:
    A. Ratio
    B. Input
    C. Time
    D. Method

33. Which of the following is a <u>true</u> statement about emotional intelligence and leadership:
    A. Leaders learn to outlast business trends.
    B. Leaders are expected to take action after problems develop.
    C. Leaders need to be confident that what they are doing is acceptable.
    D. Leaders have to get along with a variety of people.

34. Which of the following is a good way to help individuals who have a low level of self-esteem:
    A. Tell them how they can be more like another person.
    B. Tell them about all of your accomplishments.
    C. Point out where they have gone wrong.
    D. Point out their skills and abilities to them.

35. A survey designed to help you assess your strengths and weaknesses is known as a
    A. group learning exam.
    B. group talent test.
    C. personal skills inventory.
    D. personal behavior survey.

36. When Sam says that his supervisor is a woman, Sam is describing the supervisor's _____ traits.
    A. negative
    B. mental
    C. emotional
    D. physical

37. How do people react to monotone speakers?
    A. They are bored.
    B. They are enthusiastic.
    C. They listen attentively.
    D. They lean toward the speaker.

38. Bill and Tom were discussing a work problem in the warehouse when Jim came in to pick up supplies. Jim took extra time to gather the supplies so that he could listen to their conversation. What is Jim doing?
    A. Eavesdropping
    B. Investigating
    C. Participating
    D. Observing

39. Brianna knows that traffic jams cause her stress, so she drives to work before the rush hour whenever possible. Brianna is using
    A. the punishment technique.
    B. the reward technique.
    C. stimulus control.
    D. extinction.

40. Lisa and Amy are finishing a school project together. When Lisa asks Amy what she thinks about her half of the project, Amy tells Lisa, "That looks good, but let me show you what else you could have done." Amy's comments are an example of
    A. internal feedback.
    B. self-control.
    C. constructive criticism.
    D. negative feedback.

41. Nick completes a course that will qualify him for a job promotion. This is an example of a(n) _____ change.
    A. personal
    B. social
    C. economic
    D. irrational

42. Which of the following is central to the concept of empathy:
    A. Similar occupation
    B. College degree in psychology
    C. Friendship
    D. Respect for others

43. To be culturally sensitive, international businesses must be careful about how brand names
    A. affect domestic sales.
    B. translate into other languages.
    C. look in different fonts.
    D. relate to the company.

44. Which of the following is a major block to effective communication:
    A. Nonverbal cues
    B. Interaction
    C. Empathy
    D. Prejudice

45. The main difference between assertive people and aggressive people is that assertive people
    A. respect their own rights and the rights of others.
    B. try to avoid conflict with others.
    C. feel free to make requests of others.
    D. take advantage of others.

46. To be effective members of a workplace team, individual workers should be
    A. experienced at working on a team.
    B. skilled in avoiding conflict.
    C. committed to personal career goals.
    D. willing to do whatever is needed.

47. Which of the following is a true statement regarding the new circumstances that people encounter:
    A. People can control most of the new circumstances they face.
    B. Everyone experiences new circumstances at some time.
    C. Very few people experience anticipated circumstances.
    D. People can usually avoid new circumstances by planning ahead.

48. Trey is planning ahead to overcome obstacles that might stand between him and achieving his goals. Which tip for smart goal-setting is Trey following?
    A. Developing an action plan for each goal
    B. Putting goals in writing
    C. Regularly reviewing and revising goals
    D. Making sure goals are compatible with each other

49. One of the differences among people that can be difficult to change is their
    A. education.                              C. mental ability.
    B. job position.                           D. language usage.

50. A key factor in successful human relations involves treating others with
    A. reverence.                              C. respect.
    B. indifference.                           D. admiration.

51. Regular credit accounts are sometimes called open accounts because they allow
    A. first-time credit users to buy without having a credit check.
    B. credit users to buy at any time during a set period.
    C. credit users to make minimum payments any time during the month.
    D. long-time credit users to make purchases without finance charges.

52. A formal legal agreement between a lender and a borrower usually includes a
    A. repayment schedule.                     C. proposal for disbursement.
    B. tax code listing.                       D. guarantee of eminent domain.

53. Insurance is a key element in lifelong financial planning that
    A. provides protection against financial losses.
    B. protects a person from unethical salespeople.
    C. guarantees a solid financial future.
    D. is available only to property owners.

54. A good way to prioritize your financial goals is to
    A. rank every goal in numerical order.
    B. rank goals according to what needs to be done first.
    C. assign each goal to a general category.
    D. recognize that all the goals are equally important.

55. As Tom uses his credit card to make purchases in a responsible manner, he should remember that credit is a(n)
    A. asset.                                  C. loan.
    B. privilege.                              D. tax.

56. The primary reason that people review their personal credit reports is to
    A. eliminate the risk of identity theft.
    B. change or update their credit ratings.
    C. ensure that they obtain bank loans.
    D. verify that the credit agencies have correct information.

57. What is the first step Cameron should take to protect himself from identity theft after he loses his wallet?
    A. Change the passwords for his online banking accounts
    B. Contact the appropriate government agency to replace the credit cards
    C. Advise the proper law enforcement authorities about the loss
    D. Cancel all of his credit and debit cards

58. Many individuals use Form 1040EZ to file their personal income tax if they meet which of the following requirements:
    A. Itemize all deductions                  C. Have no more than two dependents
    B. Are over the age of 65                  D. Taxable income is less than $50,000.

59. Which of the following helps individuals select the type of life insurance to buy and the most appropriate investments:
    A. Financial planners                      C. Trust departments
    B. Certified public accountants            D. Local bank managers

60. When shopping for an investment broker, which of the following things should you always do:
    A. Run a background check.
    B. Disclose how much money you have to invest.
    C. Choose the same broker as your parents.
    D. Read the broker's advertisements.

61. With an ownership investment, investors do which of the following:
    A. Buy a home to live in
    B. Pay for the right to own something
    C. Collect popular items
    D. Invest in multiple corporations

62. Which of the following is a benefit of whole-life insurance:
    A. The policyholder can borrow the policy's cash value.
    B. It combines death benefits with a savings plan.
    C. The policyholder earns interest at current rates.
    D. It has lower premiums than term insurance.

63. What is the recordkeeping process of financial management?
    A. Scheduling
    B. Accounting
    C. Reporting
    D. Budgeting

64. Accounting standards are necessary in business because
    A. auditors need a way to evaluate businesses.
    B. important decisions rely on accounting information.
    C. the government wants to know what businesses are doing.
    D. math scores have dropped in recent years.

65. Determining which projects a business should invest in is known as
    A. the cash conversion cycle.
    B. return on capital.
    C. capital budgeting.
    D. capital structuring.

66. A business's human resources department is responsible for coordinating the _____ for employees.
    A. purchase orders
    B. sales promotions
    C. information systems
    D. performance evaluations

67. Successful businesses know that their main responsibility is to market
    A. the lowest priced items.
    B. what is easiest for them to make.
    C. what consumers want.
    D. all the items they can produce.

68. Before businesses can effectively use relevant data, they need to determine the type of
    A. computer system to purchase.
    B. information that is needed.
    C. report that is required.
    D. collection process to develop.

69. Which of the following is an example of a business applying information to accomplish a task:
    A. Conducting research on consumer preferences
    B. Reviewing data on trends to develop new products
    C. Developing questionnaires for local surveys
    D. Examining promotional activities of competitors

70. Which of the following is a primary function of information management:
    A. Monitoring employees
    B. Placing ads
    C. Storing data
    D. Approving credit

71. E-mail is a form of technology that has increased the efficiency of business
    A. production.
    B. communication.
    C. commercialization.
    D. segmentation.

72. When Lin sends a business report to a customer by e-mail, the document is sent as a(n)
    A. fax.
    B. postscript.
    C. memo.
    D. attachment.

73. A benefit of using an electronic calendar to prepare schedules is that it allows employees to
    A. manage their time.
    B. communicate with coworkers.
    C. delegate tasks.
    D. prioritize a deadline.

74. Which of the following is the address of a web site on the World Wide Web that a business might obtain by conducting a search on the Web:
    A. Uniform Resource Locator
    B. File Transfer Protocol
    C. Internet Service Provider
    D. Graphics Interchange Format

75. One of the advantages of using word-processing software programs is that they usually contain a
    A. dictionary.
    B. spreadsheet.
    C. flowchart.
    D. calculator.

76. Which of the following is one way that businesses use database software programs:
    A. To prepare annual reports
    B. To track operating expenses
    C. To maintain customer lists
    D. To design company stationery

77. Which of the following is a standard function of most spreadsheet software programs:
    A. Creating slide presentations
    B. Preparing promotional brochures
    C. Managing database files
    D. Performing financial calculations

78. Which of the following is an example of a groupware application:
    A. Relationship marketing
    B. E-mail filters
    C. Job rotation
    D. Database sharing

79. What procedure should always be performed before posting a web page on a web server?
    A. Consult an attorney to verify the accuracy of the web-page legal content
    B. Test the page to identify broken links, missing images, or unclear instructions
    C. Review the page to make sure the content meets international trade requirements
    D. Apply for a patent to protect the web-page contents from plagiarism

80. Which of the following is an operations activity in business:
    A. Contacting customers
    B. Obtaining resources
    C. Selecting media
    D. Analyzing investments

81. An employee notifying a government agency that the business is violating health and safety regulations is an example of
    A. verbal communication.
    B. spreading gossip.
    C. unethical behavior.
    D. reporting noncompliance.

82. What should employees who are learning a new skill avoid doing?
    A. Taking shortcuts
    B. Following rules
    C. Acting safely
    D. Asking questions

83. Which of the following is an example of an emergency situation that business employees should know how to handle and report:
    A. Check fraud
    B. Internal theft
    C. Bomb threat
    D. Stolen identity

84. What type of security problem is being described in the following: A vendor has hidden inside a customer's business. After the business closes, the vendor comes out of hiding to steal goods.
    A. Burglary
    B. Robbery
    C. Fraud
    D. Shoplifting

85. A business purchases new microcomputers for use in its credit department. This is an example of
    A. purchasing for resale.
    B. financing.
    C. wholesaling.
    D. industrial purchasing.

86. Following up with customers when the product they ordered is delivered and used will often result in
    A. intervention by your supervisor.
    B. frustration for you and the customer.
    C. returned merchandise.
    D. repeat orders.

87. How does marketing-research data help a business's production planning?
    A. By identifying resources needed in production
    B. By determining how products will be produced
    C. By identifying consumers' needs and wants
    D. By setting the timetable to use in production

88. One of the reasons that organized workers are more efficient than disorganized workers is that organized workers have
    A. their materials in order.
    B. more experience.
    C. better skills.
    D. their careers well planned.

89. Sylvia frequently reads the school announcements to help her understand what activities are going on during the week. She has just moved into the area over the summer and has had some difficulty meeting new people in school. She picks one activity to attend weekly so that she will have an opportunity to meet other students outside of the classroom environment. Sylvia is demonstrating the ability to
    A. set and attain an educational goal.
    B. attain her long-term goals.
    C. turn her goals into wants.
    D. set and attain a social goal.

90. Which of the following reflects a true relationship between making decisions and reaching objectives:
    A. Decisions support objectives.
    B. Objectives undermine decisions.
    C. Objectives support decisions.
    D. Decisions undermine objectives.

91. Lately, you're feeling like you don't fit in. You've been spending a lot of time by yourself. Then you decide to start thinking positively, and you start going to more school functions and meeting new people. You are using the _____ method of problem solving.
    A. mind-mapping
    B. brainstorming
    C. intuitive
    D. appreciative inquiry

92. Employees have the right to a safe working environment, which includes proper
    A. exercise facilities.
    B. health conditions.
    C. medical benefits.
    D. sick-leave policies.

93. Which of the following is a career search tool for determining what you are capable of doing now and might be good at doing with additional training or education:
    A. Personality test
    B. Intelligence test
    C. Interest survey
    D. Aptitude test

94. Which of the following offers stable employment opportunities because they are usually well established and do not need to pay stockholders or investors:
    A. Nonprofit institutions
    B. Partnerships
    C. Corporations
    D. Sole proprietorships

95. What information is usually best to discuss in person rather than to provide in an employment application?
    A. Special qualifications
    B. Job expectations
    C. Personal references
    D. Salary requirements

96. At the conclusion of an employment interview, an applicant who is interested in the position should
    A. accept the job.
    B. sign a contract.
    C. ask for the job.
    D. take a drug test.

97. One of the purposes of the closing paragraph in a letter of application for a specific job is to
    A. review your education.
    B. list all references.
    C. ask for an interview.
    D. explain your qualifications.

98. One reason why young people participate in internship programs is because the work experience may lead to
    A. continuing education.
    B. on-the-job training.
    C. full-time positions.
    D. community service.

99. Employees who are willing to accept more responsibility and continue to learn about all aspects of the business are likely to be considered for
    A. transfers.
    B. training.
    C. promotions.
    D. counseling.

100. Which of the following statements is true about strategic planning:
    A. It involves short-term planning for the next six months.
    B. It involves planning for the next three-to-five years.
    C. It is a supervisory technique for improving employee performance.
    D. It is used primarily by departments that do not meet company goals.

1. D
Partnership. Partnerships are owned by two or more people who share the risk of loss and the chance for profit by combining their capital, experience, and abilities. Sole proprietorships are businesses that are owned by one person. A corporation is a form of business ownership that is owned by stockholders who have purchased units or shares of the company. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods and services. Since franchises can be sole proprietorships, partnerships, or corporations, more information would be needed in this question for franchise to be the correct response.
SOURCE:   BL:003
SOURCE:   BA LAP 7—Own It Your Way

2. B
Reading. The first step in applying written directions to achieve tasks usually involves reading the directions. Employees need to understand the written directions before they can apply them. Therefore, reading for understanding and meaning is an important step. Employees should listen if the directions are given verbally rather than in writing. If employees do not understand the written directions, they might speak to a manager and ask questions for clarification. However, they should first read the directions.
SOURCE:   CO:056
SOURCE:   Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 182-183). New York: Glencoe/McGraw-Hill.

3. D
New personnel regulations. Most businesses prepare a variety of internal reports that are intended to inform employees about changes in policies and procedures. These internal reports often explain new personnel regulations. If employees analyze the reports, they will be able to understand and comply with the new personnel policies and procedures. Businesses do not share customer profiles with all employees. Internal business reports concerning policies and procedures usually do not explain industry research data or list former local competitors.
SOURCE:   CO:057
SOURCE:   Locker, K.O. (2000). *Business and administrative communication* (5th ed.) [pp. 70-71]. Boston: Irwin/McGraw-Hill.

4. C
Social skill. Social skills are types of skills valued in a successful society. Following directions in social situations has many benefits to you and those you come in contact with. Skills necessary for you to get along in the world around you are not known as family skills, academic skills, or life skills.
SOURCE:   CO:119
SOURCE:   QS LAP 24—Simon Says

5. A
Nonverbal cues. Nonverbal cues are unspoken messages shown through eye contact, facial expression, and body language. Acknowledgement responses are short verbal statements such as "uh-huh" and "I see." Nonverbal cues are not distractions—quite the opposite, they usually reinforce the speaker's message. Nonverbal cues are not listening skills in and of themselves, but paying attention to them is.
SOURCE:   CO:017
SOURCE:   QS LAP 1—Listen Up

6. C
May not be remembered accurately. Listeners generally retain only about 25% of what they hear, and they frequently don't remember it accurately. It is, therefore, important to choose words used in oral communication carefully and to try to make sure that listeners receive the intended message. Oral communication is used for all kinds of messages, not just those that are urgent. Oral communication is considered less formal than written communication, but that is not the reason that it should be used with care.
SOURCE:   CO:147
SOURCE:   Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 421-423]. Boston: McGraw-Hill/Irwin.

7. C
Information is complex. In some situations, it is difficult to give effective verbal directions. One situation is
if the information is complex. Managers sometimes make the mistake of believing that all directions can
be given verbally. However, if the information is complex and requires an extensive explanation, it may
be better to provide verbal directions as well as written instructions or diagrams. If the complex
information is difficult to understand, employees will be better able to follow the directions if they are
presented in several ways. It is not difficult to give effective verbal directions if time is important,
managers are organized, or employees are focused.
SOURCE:   CO:083
SOURCE:   eHow.com. (1999-2009). *How to give verbal instructions.* Retrieved June 22, 2009, from
                http://www.ehow.com/how_2108584_give-verbal-instructions.html

8. D
Critical feedback. When employees present their ideas to management or coworkers, they should be
prepared to defend those ideas and provide supporting information. They also should be willing to accept
critical feedback because others might not agree with the ideas or have different opinions. Being
prepared will help employees remain objective and be able to offer logical evidence to back up their
ideas. Critical feedback is often useful because it allows employees to view their ideas from a different
perspective. Defending ideas usually does not involve accepting additional responsibility or nonverbal
support. It is not acceptable to attack employees on a personal level because of their ideas.
SOURCE:   CO:061
SOURCE:   Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 204-205). New
                York: Glencoe/McGraw-Hill.

9. A
Project the image of the business. The way in which employees handle telephone calls projects the
image of the business and its level of service. Handling calls in a businesslike manner can increase
business. Using professional telephone techniques includes making the caller feel important, and not
trying to be important. Being businesslike may enable employees to handle a great many calls or to
qualify for promotion, but these are not primary objectives.
SOURCE:   CO:114
SOURCE:   Bailey, L.J. (2007). *Working* (4th ed) [pp. 209-210]. Mason, OH: South-Western Cengage
                Learning.

10. B
Get together to do something. A group is a number of people who get together to perform a task, solve a
problem, make a decision, or just talk about something. The group members may or may not feel the
same way about an issue or enjoy each other's company. And, they may very well come up with similar
answers.
SOURCE:   CO:053
SOURCE:   QS LAP 29—Put In Your Two Cents

11. C
Understand the process you are explaining. In order to write accurate instructions, you must be
knowledgeable about the sequence and content of steps required for completion of the task. Instructions
should consist of simple, brief statements that are written from the employee's perspective. Although
instructions should be as brief as possible, the type and complexity of the process or activity will dictate
the length of the instructions.
SOURCE:   CO:016
SOURCE:   Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for
                success* (3rd ed.) [pp. 115-122]. Mason, OH: Thomson South-Western.

12. C
Consistency. Many businesses and industries develop documents using a specific style, which entails following certain writing standards. By using a specific style, all of a business's or an industry's documents are consistent throughout the company or field. Writing styles provide guidance to the writers in regard to the correct usage of mechanical elements (e.g., punctuation) but do not provide creativity or flexibility. Stylebooks cannot verify the accuracy of the document's contents.
SOURCE: CO:089
SOURCE: Research Haven. (n.d.). *Writing styles: Your answers to style guides.* Retrieved June 22, 2008, from http://www.researchhaven.com/Style/index.htm

13. C
Enclosure notation. An enclosure notation often appears at the bottom of a business letter if additional items are included with the letter. The enclosure notation may indicate the number of additional items attached or list the type of item, such as sales brochure, check, contract, etc. The purpose of the enclosure notation is to help the writer and the recipient confirm that all enclosures are included when the letter is sent and received. The reference initials identify the person who typed the letter. The company signature is the typed name of the company. The writer's identification is the writer's name typed below the signature.
SOURCE: CO:133
SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3$^{rd}$ ed.) [pp. 310-311]. Mason, OH: Thomson South-Western.

14. D
Accurate content. Because informational messages communicate knowledge, facts, or data to the message receiver, it is important that content is accurate. In the workplace, employees and managers often make business decisions based on information they receive in informational messages, so it is very important for the writer to include accurate content in the message. Although a writer might communicate an emotional appeal, an honest opinion, or a request for action in his/her informational message, accurate content is the most important consideration.
SOURCE: CO:039
SOURCE: Bovée, C. L., & Thill, J. V. (2008). *Business communication today* (9$^{th}$ ed.) [p. 95]. Upper Saddle River, NJ: Pearson Prentice Hall.

15. B
Letters of inquiry. The function of a letter of inquiry usually is to make a request. Businesspeople often write letters of inquiry to request an appointment with a current customer, a potential customer, or a business associate, particularly if those people are located out of town. For example, a businessperson might write several letters requesting appointments with various customers before arranging a sales trip. Persuasive messages are intended to encourage others to take action rather than to make a request. Sales letters are a type of persuasive message. Corporate memorandums are internal forms of communication.
SOURCE: CO:040
SOURCE: Locker, K.O. (2000). *Business and administrative communication* (5th ed.) [pp. 222, 225]. Boston: Irwin/McGraw-Hill.

16. C
The business believes the employee is stealing goods. Information of a private nature should be delivered in person, particularly if the information is of a negative and/or embarrassing nature. In this situation, the staff member should also have a chance to deny the accusation if untrue. Information about a manager's vacation, flextime, or enlarging the department could be openly communicated to the staff.
SOURCE: CO:014
SOURCE: Hilgert, R.R., & Leonard, E.C. (2001). *Supervision: Concepts and practices of management* (8th ed.) [pp. 659-661]. Cincinnati: South-Western College Publishing.

17. C

Share information. Staff meetings are a method of communication in business. The purpose of participating in staff meetings usually is to share information. This includes management sharing important information with employees and employees providing information to management, such as updates on current projects. The goal is for everyone in the business to have the information they need to function effectively. The purpose of participating in staff meetings is usually not to achieve a task, conduct research, or develop a message.

SOURCE:   CO:063
SOURCE:   Lussier, R.N. (2003). *Management fundamentals: Concepts, applications, skill development* (2nd ed.) [pp. 326-330]. Mason, OH: South-Western.

18. A

Being consistent. Being consistent involves offering the same, reliable goods and services on a regular basis. Businesses that are consistent do what they say they are going to do and do it right the first time. Being consistent is a good technique for building positive customer relations because customers know that they can count on getting what they need from the business. Customers appreciate consistency and usually will continue to buy from the business. Businesses should be open to change in order to meet the changing needs of their customers. Buying advertising and conducting research will not build positive customer relations unless the business also offers consistent service and reliable products.

SOURCE:   CR:003
SOURCE:   Rokes, B. (2000). *Customer service: Business 2000* (p. 136). Mason, OH: South-Western.

19. B

All staff. The customer-service mindset applies to all employees regardless of whether they ever come into direct contact with customers. It takes all staff focused on customer satisfaction to convince customers that a business is sincerely interested in them. For example, a salesperson's efforts to determine and satisfy customer needs must be supported by all other staff members and vice versa.

SOURCE:   CR:004
SOURCE:   Odgers, P. (2004). *The world of customer service* (p. 10). Mason, OH: South-Western.

20. B

Product maintenance. Business employees should possess certain information in order to satisfactorily handle routine customer inquiries. Customers often ask questions about how certain products should be maintained, and they expect business employees to be able to provide the answers. If business employees do not have this type of information, they may lose sales because customers will feel frustrated by the lack of assistance. Employees are not expected to possess specific information about the business's financial condition, its expense projections, or the personal background of other employees and managers.

SOURCE:   CR:006
SOURCE:   Ingram, T.N, LaForge, R.W., Avila, R.A., Schwepker, C.H., & Williams, M.R. (2008). *Professional Selling: A trust-based  approach* (4th ed.) [p. 42]. Mason, OH: South-Western Cengage Learning.

21. D

Dishonest. A dishonest customer intentionally attempts to avoid paying part or all of the price for a product. A suspicious customer doubts or questions everything and may want facts and proof before being convinced something is true. An indecisive customer frequently has great difficulty in making a choice or buying decision. A disagreeable customer is a client who is unpleasant and hard to help because s/he is argumentative, complaining, irritable, moody, insulting, impatient, and/or has a leave-me-alone attitude.

SOURCE:   CR:009
SOURCE:   EI LAP 1—Making Mad Glad

22. A
Policies. Policies are general rules that provide guidelines for employees in handling specific situations. Policies are especially useful in handling complaints since they help to prevent misunderstandings, and they are used to apply fair and consistent treatment in different situations. A procedure is a step-by-step process that personnel follow in performing specific tasks. Regulations are specific rather than general rules. Techniques are skills or ways of doing things.
SOURCE:   CR:010
SOURCE:   Levy, M., & Weitz, B. A. (2007). *Retailing management* (6<sup>th</sup> ed.) [pp. 251-252, 262]. Boston: McGraw-Hill/Irwin.

23. C
Jack politely asks if his customer would like a beverage while s/he waits for car service. The manner in which employees perform their tasks is an important factor that affects how customers view a business. When an employee is polite and asks a customer if s/he would like a beverage while waiting for service, the employee is reinforcing a positive view or image of the business. On the other hand, placing a customer on hold, especially if it happens often, might anger the customer and reinforce a negative image of the business. There is not enough information to determine if preparing a newsletter or telling a customer that an item is only available by special order is reinforcing or creating a certain image.
SOURCE:   CR:002
SOURCE:   Odgers, P. (2004). *The world of customer service* (pp. 6-7). Mason, OH: South-Western.

24. D
Television set. A shopping good is one for which the customer preplans the purchase and takes into consideration such factors as price, brand name, and warranties. A sale shirt,  a pair of socks, and a candy bar are convenience goods that do not require preplanning.
SOURCE:   EC:002
SOURCE:   Burrow, J.L. (2006). *Marketing: Instructor's wraparound edition* (2nd ed.) [pp. 273, 275]. Mason, OH: Thomson/South-Western.

25. B
Natural. Natural resources are found in nature and used to produce goods and services. Natural resources are limited. Capital goods include all materials used to assist in the production of goods and services. Physical resources are aspects of human resources.
SOURCE:   EC:001
SOURCE:   Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (p. 53). Woodland Hills, CA: Glencoe/McGraw-Hill.

26. B
Elastic. Elastic demand is demand that changes according to changes in price. If consumers can buy a substitute product when the price of their favorite product goes up, then the demand for the original product is more likely to be affected. Inelastic demand is demand that is not affected by changes in price. Demand is less urgent for products that have substitutes. Unitary demand occurs when sales remain the same because changes in supply and demand are equal.
SOURCE:   EC:005
SOURCE:   EC LAP 11—It's the Law (Supply and Demand)

27. C
Be socially responsible. Social responsibility is the duty of business to contribute to the well-being of society. This includes contributing to the well-being of the business's employees and to product users, the community, and the business itself. Businesses are not required by law to be socially responsible. Whether businesses' health insurance costs are reduced would depend upon whether employees participated in the fitness programs. Maximizing profits helps the business to grow and prosper and to be socially responsible to itself.
SOURCE:   EC:070
SOURCE:   EC LAP 20—Business Connections (Business and Society)

28. D

By individuals. In most cases, individuals produce what they can, and barter to obtain what they cannot produce. Everything that is produced is consumed. In a traditional economic system, there is little or no government involvement in either the production or the distribution of products. In addition, there are no incomes, prices, or markets to consider.
SOURCE:   EC:007
SOURCE:   Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (pp. 54-55). Woodland Hills, CA: Glencoe/McGraw-Hill.

29. A

Net profit. Profit is the monetary reward the business owner receives for taking the risk involved in investing in a business. Net profit is the money remaining after operating expenses are subtracted from gross profit. Gross profit is the money left after cost of merchandise is subtracted from total income. Overhead expenses are a form of operating expenses, such as rent and utilities.
SOURCE:   EC:010
SOURCE:   EC LAP 2—Risk Rewarded

30. C

Natural. The ice storm is a natural risk because it is an act of nature. Other natural risks include floods, tornadoes, fires, lightning, blizzards, and earthquakes. Market risk is a type of economic risk caused by changes in the market, and human risk is caused by human weakness and unpredictability.
SOURCE:   EC:011
SOURCE:   EC LAP 3—Lose, Win, or Draw (Business Risk)

31. A

Natural monopoly. In some cases, it may be in the best interests of the public for a single firm to be the producer of a product. Public utilities are an example. Conservation is the preservation and protection of resources. Competition is the rivalry between two or more businesses to attract scarce customer dollars. Price discrimination is the practice of selling the same item to different buyers at different prices.
SOURCE:   EC:008
SOURCE:   EC LAP 16—Regulate and Protect (Government and Business)

32. C

Time. A worker's productivity can be measured by the time it takes to complete a particular task or job, the amount of work produced, or the monetary value of the work. For example, a salesperson who can make a sale in half the time of another salesperson is said to be twice as productive. Inputs are those resources used in producing goods or services. The method used may increase or decrease productivity, but it is not a standard of measurement. A ratio is a mathematical expression of the comparison between two factors.
SOURCE:   EC:013
SOURCE:   EC LAP 18— Make the Most of It (Productivity)

33. D

Leaders have to get along with a variety of people. Emotional intelligence and leadership overlap when it comes to proactive behavior, perseverance, positive working relationships, and confidence. To engage in positive working relationships, leaders have to get along with a wide variety of people, sometimes encouraging others, and sometimes inspiring them. With proactive behavior, leaders are expected to take action before problems develop. With perseverance, leaders learn to outlast disappointment and fatigue. Regarding confidence, leaders need to know that what they are doing and saying is right—not (merely) acceptable.
SOURCE:   EI:001
SOURCE:   EI LAP 6 — EQ and You (Emotional Intelligence)

34. D
Point out their skills and abilities to them. Self-esteem is how you feel about yourself at any given time. The level can fluctuate from high to low. Making positive remarks about an individual's skills and abilities is a good way to support a high level of self-esteem or to raise a low level. All of the other alternatives would lower someone's self-esteem.
SOURCE:  EI:016
SOURCE:  Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 197). New York: Glencoe/McGraw-Hill.

35. C
Personal skills inventory. A survey designed to help you assess your strengths and weaknesses is known as a personal skills inventory. The survey asks multiple-choice questions related to your behavior, interests, and feelings. The survey is then scored, and you are provided with the results. The survey results often reveal new information about you which could be useful in the assessment process. These surveys are not known as group talent tests, personal behavior surveys, or group learning exams.
SOURCE:  EI:002
SOURCE:  EI LAP 17—Assess for Success (Assessing Personal Strengths and Weaknesses)

36. D
Physical. When Sam says that his supervisor is a woman, he is describing her physical traits. Physical traits include gender, height, weight, hair color, eye color, and build. Mental traits include such intellectual abilities as learning, remembering, comprehending, analyzing, evaluating, and creating. Emotional traits involve attitudes, feelings, values, and temperament. Negative describes a pessimistic attitude, rather than a trait.
SOURCE:  EI:018
SOURCE:  EI LAP 9—You've Got Personality (Personality Traits in Business)

37. A
They are bored. Nothing is more boring than listening to someone who speaks in one tone of voice. Speakers need to vary their tone, pitch, and inflection to keep listeners' attention. Otherwise, listeners will be unenthusiastic about the topic, they will not give their undivided attention to the speaker, and will demonstrate their lack of interest through nonverbal signals.
SOURCE:  EI:020
SOURCE:  Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 198). New York: Glencoe/McGraw-Hill.

38. A
Eavesdropping. Listening to conversations in which you are not participating is called eavesdropping. People with honesty and integrity avoid eavesdropping whenever possible. Jim is listening rather than observing, or watching. There is nothing to suggest that he is investigating anything.
SOURCE:  EI:022
SOURCE:  Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (p. 69). Tinley Park, IL: Goodheart-Willcox.

39. C
Stimulus control. Stimulus control occurs when a person attempts to avoid situations that cause him/her stress. The reward technique involves positive reinforcement given for showing self-control. The punishment technique is used when negative reinforcement is given for losing self-control. Extinction is the act of withholding reinforcement in order to change a behavior.
SOURCE:  EI:025
SOURCE:  EI LAP 14—Control Yourself! (Demonstrating Self-Control)

40. C
Constructive criticism. Constructive criticism is evaluative information designed to help someone improve. Negative feedback is feedback involving criticism, a negative judgment about you or your behavior; it tends to make you want to change or modify your words or actions. Internal feedback is feedback that comes from within yourself. Self-control is the restraint of your feelings, words, and actions.
SOURCE:   EI:003
SOURCE:   EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)

41. A
Personal. Personal changes concern our bodies, minds, lifestyles, etc. A new occupation is a personal change that affects one's lifestyle. Improving oneself in order to gain a promotion is a rational, or logical, change, not irrational. A social change is a shift in the values, tastes, or habits of society. Economic changes are fluctuations or "ups and downs" in the economy.
SOURCE:   EI:026
SOURCE:   Dalton, M., Hoyle, D.G., & Watts, M.W. (2006). *Human relations* (3$^{rd}$ ed.) [pp. 212, 348]. Mason, OH: South-Western Cengage Learning.

42. D
Respect for others. Genuine respect for others and their individual differences is central to the concept of empathy—the ability to put yourself in another person's place. You do not need a college degree to feel empathy. Friendship enhances empathy but is not necessary to it. The area or situation may not be work related, so a similar occupation is not necessary.
SOURCE:   EI:030
SOURCE:   EI LAP 12—Have A Heart (Empathy)

43. B
Translate into other languages. To be culturally sensitive, international businesses must be careful about how brand names translate into other languages. Mistakes in this area can lead to decreases in sales—or no sales at all. Domestic sales are not included in international business. Fonts are not necessarily important to cultural sensitivity. Every brand name should relate to the company well, whether in the domestic or international market.
SOURCE:   EI:033
SOURCE:   EI LAP 11—Getting to Know You (Cultural Sensitivity)

44. D
Prejudice. It is a strong, negative feeling seldom based on fact. Empathy is the ability to put yourself in another person's place. Interaction increases the probability that information is transmitted clearly. Eye contact, posture, and facial expressions are examples of nonverbal feedback which help the sender determine if a receiver is accepting or rejecting what is being communicated.
SOURCE:   EI:007
SOURCE:   Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 176-177). Tinley Park, IL: Goodheart-Willcox.

45. A
Respect their own rights and the rights of others. Assertive people have a confident attitude based on feelings of self-respect. They respect themselves and others. On the other hand, aggressive people ignore the rights of others and take advantage of them. They feel free to make requests of others. People who are passive try to avoid conflict with others.
SOURCE:   EI:008
SOURCE:   EI LAP 18—Assert Yourself (Assertiveness)

46. D
    Willing to do whatever is needed. In order to be an effective team member, workers should be willing to
    do whatever is needed in order to meet the team's goals. This may include carrying out tasks or
    accepting assignments that are not to the individual's liking. It may also mean that the individual cannot
    be so committed to personal career goals that s/he cannot set them aside, at least temporarily. Workers
    do not need to have had previous experience as team members since the role of team player can be
    learned. Conflict is often part of teamwork and should be managed rather than avoided.
    SOURCE:   EI:045
    SOURCE:   Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 226-229). New
              York: Glencoe/McGraw-Hill.

47. B
    Everyone experiences new circumstances at some time. All people experience new circumstances
    during their lives. Therefore, new circumstances are unavoidable. People cannot always control the new
    situations or circumstances that occur in their lives, but they can learn how to manage them. People
    experience both expected and unexpected circumstances. Although it is possible to plan for some new
    circumstances in advance, people also experience unexpected circumstances. Unexpected
    circumstances require people to react without preparation.
    SOURCE:   EI:006
    SOURCE:   QS LAP 15—Stuff Happens

48. A
    Developing an action plan for each goal. By planning ahead for how he will overcome potential obstacles,
    Trey is developing an action plan for his goal. This will make it easier to face roadblocks if and when they
    pop up. In this scenario, Trey is not putting his goals in writing, reviewing and revising his goals, or
    making sure they are compatible with each other.
    SOURCE:   EI:027
    SOURCE:   EI LAP 10—High Hopes (Developing an Achievement Orientation)

49. C
    Mental ability. A person's mental ability refers to his/her learning and thinking ability. People are born with
    different levels of mental ability. This ability is difficult to change. Job position is the worker's assigned
    duties and level of responsibility, which the worker can change by changing jobs or seeking promotions.
    Language usage is the way the language is used in certain parts of the country. People are able to
    change the way they speak if they so desire. Education is the amount of learning a person has acquired.
    Learning is an ongoing process.
    SOURCE:   EI:036
    SOURCE:   HR LAP 24—Treating Others Fairly at Work

50. C
    Respect. Respect is showing regard for other people and their ideas. In order to have successful human
    relations, you must have respect for others and for yourself. It is not necessary to admire everyone or to
    treat them with reverence, but you should not treat anyone with indifference.
    SOURCE:   EI:037
    SOURCE:   EI LAP 5—Can You Relate?

51. B
    Credit users to buy at any time during a set period. This period is usually 30 days. At the end of that time,
    the person or business is expected to pay the entire amount that is due. Most credit accounts require a
    credit check of first-time or regular credit users. Having a credit account for a long time does not eliminate
    finance charges if the customer does not pay the account according to the account's requirements.
    SOURCE:   FI:002
    SOURCE:   Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2005). *Personal finance* (p. 158). New York:
              Glencoe/McGraw-Hill.

52. A
Repayment schedule. Individuals and businesses usually borrow money from financial institutions for large purchases, such as business equipment. A borrower must apply for the loan with the lender and provide the lender with necessary financial status information. The lender reviews this information to determine if the potential borrower is a good risk and is likely to pay back the loan. If the lender determines that the borrower meets the necessary criteria, the application is accepted and the loan process begins. The lender develops a formal document (contract) that the borrower must sign. The document contains information regarding the loan repayment terms and schedules. The contract does not include a tax code list, a proposal (request) for disbursement, or a guarantee of eminent domain.
SOURCE:   FI:063
SOURCE:   DuBoff, L.D. (2004). *The law (in plain English) for small business* (pp. 46-47). Naperville, IL: Sphinx Publishing.

53. A
Provides protection against financial losses. Insurance is designed to protect against financial losses, whether those losses are related to property, health, or even life. Insurance does not protect a person from unethical salespeople or guarantee a solid financial future. Insurance is available to property owners and non-owners alike.
SOURCE:   FI:064
SOURCE:   Williams, F. (2003). *Investing for life youth handbook.* Madison Heights, MI: National Association of Investors Corporation.

54. C
Assign each goal to a general category. A good way to prioritize your financial goals is to assign each goal to a general category, such as "must do," "important but not critical," or "not so important." Ranking according to what needs to be done first and ranking every goal in numerical order are two common pitfalls. Another pitfall is ranking everything as very important or thinking that all the goals are equally important.
SOURCE:   FI:065
SOURCE:   QS LAP 31—Set Yourself Up

55. C
Loan. A loan is a sum of money lent to a person or business for a specific time period that is repayable with interest. Credit is the arrangement by which a person purchases now and pays later. A lending institution issues credit cards, which allow people to purchase now and pay later. The lender provides credit-card users with a limit within which they can charge purchases. The lender pays for the purchases and then sends the credit-card user a bill/statement each month that indicates the monthly minimum payment and interest charges due to the lender. It is important for people to pay credit-card balances responsibly so they do not accumulate so much debt that they cannot afford to pay the lender. Using credit for purchases helps a person build a personal credit history, which lenders consider when a person applies for a large loan to purchase a car or a house. An asset is something of value that a person owns. Credit is not an asset or a tax. Because credit is so widely used, it is not necessarily a privilege.
SOURCE:   FI:071
SOURCE:   Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2005). *Personal finance* (pp. 170-172). New York: Glencoe/McGraw-Hill.

56. D

Verify that the credit agencies have correct information. Credit is the arrangement by which individuals or businesses can purchase now and pay later. A credit agency is a business that maintains files of credit information on individuals and businesses. It is important to make sure that credit agencies have accurate information about your credit history because other businesses purchase the reports to make decisions about extending credit to you or providing a loan to you. Although people can provide information to improve their credit ratings, it is the credit agencies that change or update the information. Good credit reports can increase the chances of obtaining a bank loan, but reviewing the reports cannot ensure that people obtain bank loans. People who monitor their credit reports can reduce the risk of identity theft, but cannot eliminate the risk.

SOURCE:   FI:072

SOURCE:   Federal Reserve Bank of San Francisco. (2006, January 24). *Your credit report: What it says about you.* Retrieved June 23, 2009, from http://www.frbsf.org/publications/consumer/creditreport.html

57. D

Cancel all of his credit and debit cards. Identity theft occurs when somebody uses another individual's name and personal information (e.g. credit cards) for fraudulent purposes. The first thing Cameron should do when he realizes he has lost his wallet is to cancel his credit cards. By canceling the credit cards, Cameron will protect himself in the event that someone finds his wallet and attempts to use the credit cards. Financial institutions and businesses (e.g., retailers) issue credit cards, not government agencies. Cameron should contact the proper law enforcement authorities (e.g., police) if he thinks his wallet is stolen. He can report a lost wallet, and he can also change the passwords for his online banking accounts. However, the first thing he should do is to cancel his credit and debit cards.

SOURCE:   FI:073

SOURCE:   Federal Trade Commission. (n.d.). *Minimizing your risk.* Retrieved June 23, 2009, from http://www.ftc.gov/bcp/edu/microsites/idtheft/consumers/deter.html

58. D

Taxable income is less than $50,000. Form 1040EZ is a short and simple tax form that many individuals use to file their personal income tax. However, they must meet certain requirements in order to use this form. One of the requirements is taxable income less than $50,000. If taxable income is more than that amount, they must use one of the other tax forms. To be eligible to use Form 1040EZ, individuals must be under the age of 65, have no dependents, and not itemize deductions.

SOURCE:   FI:074

SOURCE:   Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 393). New York: Glencoe/McGraw-Hill.

59. A

Financial planners. There are many types of financial planners who help clients develop investment plans and prepare for the future. These planners provide financial services such as recommending and selling life insurance, mutual funds, stocks and bonds, etc. Part of what they do is provide advice on how their clients can achieve their financial goals. Certified public accountants, trust departments, and local bank managers usually do not help individuals select the type of life insurance to buy and the most appropriate investments.

SOURCE:   FI:075

SOURCE:   Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 259-260). New York: Glencoe/McGraw-Hill.

60. A

Run a background check. When shopping for an investment broker, you should always run a background check. You're entrusting your money and your financial future to this person, so it's important to make sure s/he deserves that trust. It's not necessary to disclose to a potential broker how much money you have to invest. Certain brokers are more suited to certain investors—what works for your parents will not necessarily work for you. You may want to read the broker's advertisements, but advertisements don't tell the whole story. A background check will provide much more useful information.
SOURCE:  FI:076
SOURCE:  SEC. (2005, October 30). *Protect your money: Check out brokers and investment advisers.* Retrieved June  23, 2009, from http://www.sec.gov/investor/brokers.htm

61. B

Pay for the right to own something.  With an ownership investment, investors pay for the right to own something.  When they do this, they may buy a home to live in, collect popular items, or even invest in multiple corporations through stock mutual funds.
SOURCE:  FI:077
SOURCE:  QS LAP 32—Risky Business

62. A

The policyholder can borrow the policy's cash value. A whole-life insurance policy builds cash value as the policyholder pays premiums at regular intervals. If, at some point, the policyholder needs a loan, s/he can borrow the cash value of the policy. Universal life insurance combines death benefits with an investment and savings plan that earns interest at current market rates. Whole-life insurance rates are higher than term insurance rates because term insurance only pays death benefits if the policyholder dies during the set period of time covered by the policy.
SOURCE:  FI:081
SOURCE:  MSN.com. (2008, September 10). *Term or whole life?* Retrieved June 23, 2009, from http://www.smartmoney.com/personal-finance/insurance/term-or-whole-life-8011/

63. B

Accounting. Accounting is the process of keeping financial records. Accounting, or recordkeeping, is an important financial activity because businesses need to know their financial status at all times. Without accurate accounting, businesses would not have current information about the amount of money coming in and going out of the operation. Budgeting is estimating what income and expenses will be for a specific period of time. Scheduling is the production activity that establishes the timetable to be followed in production. Reporting is the process of giving information.
SOURCE:  FI:085
SOURCE:  FI LAP 5—Show Me the Money

64. B

Important decisions rely on accounting information. Accounting standards are necessary because decisions rely heavily on credible accounting information. The standards were not created for auditors, but for the sake of decision makers. The standards do not exist for the government's use, or because math scores are up or down.
SOURCE:  FI:086
SOURCE:  Financial Accounting Standards Board. (n.d.). *Facts about FASB.* Retrieved August 7, 2009, from http://www.fasb.org/facts/facts_about_fasb.pdf

65. C

Capital budgeting. Determining which projects a business should invest in is known as capital budgeting. It is one of the capital investment decisions. Return on capital is a component of working capital management that refers to how well a business is generating cash flow in relation to its invested capital. The cash conversion cycle is a component of working capital management that refers to how long a business's money is "tied up" between purchasing raw materials and receiving cash from sales. Capital structuring refers to determining the optimal mix of financing—it is also one of the capital investment decisions.
SOURCE:  FI:354
SOURCE:  FI LAP 7—Money Matters (Role of Finance)

66. D
Performance evaluations. Human resources management is the process of planning, staffing, leading, and organizing the employees of a business. An important aspect of human resources management is coordinating performance evaluations with employees and their supervisors. A performance evaluation is a formal assessment by the supervisor of an employee's job performance that lets the employee know how s/he is doing on the job. The human resources department keeps the performance assessment form in the employee's personnel file. Sales promotions are coordinated by the business's promotion function. Information systems are usually computer-based and maintained by technical personnel. Purchase orders are placed and tracked by the purchasing department.
SOURCE:   HR:410
SOURCE:   Gitman, L.J., & McDaniel C. (2008). *The future of business: The essentials* (3rd ed.) [p. 297]. Mason, OH: Thomson Higher Education.

67. C
What consumers want. Businesspeople have found that it is just plain good business to base their decision making on customer needs and wants. They have learned that it is much better to determine what the customer wants and offer that item, than to develop or manufacture an item and then try to sell it. It is better for businesses to find out what the consumer is willing to buy instead of trying to market what is easiest to make. Successful businesspeople know that the quantity of items they can produce is greater than consumer demand. It is not always effective to market the lowest priced items.
SOURCE:   MK:001
SOURCE:   BA LAP 11—Have It Your Way!

68. B
Information that is needed. Information is a collection of facts, statistics, or data. Before businesses can use the information, they must determine the type of information that is needed. For example, does a business need economic data because it wants to expand, or does it need marketing data because it wants to attract new customers? The business must decide the type of information it needs before it can obtain and use that data. Businesses do not need to determine the type of computer system to purchase, the type of report that is required, or the type of collection process to develop before using relevant data.
SOURCE:   NF:077
SOURCE:   Churchill, G. (2001). *Basic marketing research* (4th ed.) [pp. 180-181, 770-771]. Mason, OH: South-Western.

69. B
Reviewing data on trends to develop new products. Simply obtaining information is not useful unless the business applies the information to accomplish a task. Reviewing data on trends for the purpose of developing new products is an example of applying information. The data give the business an idea of what type of new product customers might want and need. Then, the business develops a product based on the information. Conducting research, developing questionnaires, and examining promotional activities are methods of obtaining information. However, they do not involve applying the information to accomplish a task.
SOURCE:   NF:080
SOURCE:   Mescon, M.H., Bovee, C.L., & Thill, J.V. (1999). *Business today* (9th ed.) [pp. 476-477]. Upper Saddle River, NJ: Prentice Hall.

70. C
Storing data. Information management involves gathering, sorting, evaluating, and disseminating information to aid business decisions. Businesses use different types of internal and external information to make decisions, such as sales history, customer profiles, and financial data. In order to obtain the information when the business wants it, the business needs a place to store the information. Today, most businesses store this information on computers. Although the business may store this advertisement, employee, and credit information on its computer, these are not primary functions of information management.
SOURCE:   NF:110
SOURCE:   Ivancevich, J.M., & Duening, T.N. (2007). *Business principles, guidelines, and practices* (2nd ed.) [pp. 497-498]. Mason, OH: Thomson.

71. B

Communication. Communication is the exchange of information. E-mail is the electronic transmission of messages across computer networks, and it is a communication channel. E-mail transmits business messages very quickly and can reach many people simultaneously, which often saves the business time and money (e.g., order processing). E-mail does not always increase the company's production efficiency because other factors affect production. Commercialization is the point at which a product's life cycle begins. Segmentation is the process of dividing the market into similar groups.

SOURCE:   NF:003

SOURCE:   Rue, L.W., & Byars, L.L. (2006). *Business management: Real-world applications and connections* (pp. 162-163). Woodland Hills, CA: McGraw-Hill.

72. D

Attachment. An attachment is a computer file that is sent with an e-mail message. In business, it is common to send information, such as business reports, as e-mail attachments. A postscript is an "afterthought" that the sender includes after the message or letter closing. A memo is a short, informational document that an employee often sends within the company. A fax is a document that is transmitted through telephone wires.

SOURCE:   NF:004

SOURCE:   MediaCollege.com. (n.d.). *How to send email attachments*. Retrieved June 23, 2009, from http://www.mediacollege.com/internet/email/attachments.html

73. A

Manage their time. Many employees use electronic calendars to keep track of their activities and prepare schedules. The benefit of using these devices is that it allows employees to manage their time because they can keep a schedule of their activities. They know what they have to do at a certain time on a certain date, such as attend a meeting. They can also list deadlines for projects. This enables them to plan the use of free time in order to accomplish their assigned responsibilities. Employees do not use an electronic calendar to communicate with coworkers or delegate tasks. Employees use electronic calendars to keep track of deadlines; however, managers usually determine the deadline based on the priority of the project.

SOURCE:   NF:005

SOURCE:   Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 359-361). New York: Glencoe/McGraw-Hill.

74. A

Uniform Resource Locator. An address on the World Wide Web is known as a Uniform Resource Locator (URL). A URL includes the name of the server where the web-site's files are stored, the file's directory path, and its file name. An example of a URL is http://www.mark-ed.com. A File Transfer Protocol (FTP) is a way of transferring data from one computer to another over the Internet. An Internet Service Provider (ISP) is a commercial company selling Internet access. Graphics Interchange Format (GIF) is a standard format for image files on the World Wide Web.

SOURCE:   NF:006

SOURCE:   Rayport, J. F., & Jaworski, B. J. (2004). *Introduction to e-commerce* (2nd ed.) [p. 41]. Boston: McGraw-Hill/Irwin.

75. A

Dictionary. Word-processing software programs are used to create text documents. An advantage of using these programs to write business letters, memos, reports, etc., is that the programs usually contain a dictionary that allows the user to check the spelling of words. The dictionary feature helps users to avoid making spelling mistakes in important business documents. Spreadsheet software programs have the capability of performing calculations. Graphics software programs allow users to create flowcharts.

SOURCE:   NF:007

SOURCE:   Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [pp. 162-163]. Woodland Hills, CA: Glencoe/McGraw-Hill.

76. C
To maintain customer lists. Database software programs are designed to sort, arrange, and locate a wide variety of information. Many businesses use database software to maintain customer lists that can be arranged alphabetically, by zip code, by date of last purchase, or by many other criteria. This type of software allows businesses to generate mailing lists of specific customers based on a variety of factors. Businesses use spreadsheet software to track operating expenses, desktop publishing programs to prepare annual reports, and graphics programs to design company stationery.
SOURCE:   NF:009
SOURCE:   Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.)
[pp. 162-163]. Woodland Hills, CA: Glencoe/McGraw-Hill.

77. D
Performing financial calculations. Spreadsheet software enables businesses to perform accounting, financial, and other mathematical functions. A user can enter numerical information in rows and columns, and the software will perform various calculations or analyses. For example, spreadsheet programs can calculate sales forecasts and develop budget projections. Presentation software is used to create slide presentations. Desktop publishing software is used to prepare promotional brochures. Database software is used to manage database files.
SOURCE:   NF:010
SOURCE:   Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 199-200). Woodland Hills, CA: Glencoe/McGraw-Hill.

78. D
Database sharing. Groupware applications refer to the modes that employees who work in different locations use to work together or collaborate so they can accomplish a common goal.  One mode of collaboration is sharing a database that links or networks several people via computer. For example, when both a sales representative and a warehouse manager have the ability to turn on their computers and access the same inventory status information to see if a product is in stock for a customer, they are using a groupware application. E-mail filters are computer programs that block out unwanted information. Job rotation is an instructional method in which trainees are rotated periodically from one job to another in order to broaden the trainees' perspective of the business. Relationship marketing is a strategy in which businesses spend time with current and prospective clients outside the office setting to enhance the partnership.
SOURCE:   NF:011
SOURCE:   Net Access. (n.d.). *Groupware (intranet).* Retrieved August 7, 2009, from
http://www.netxs.com.pk/intranet/groupware.html

79. B
Test the page to identify broken links, missing images, or unclear instructions. Broken links and unclear instructions make it difficult, if not impossible, for readers to obtain information or purchase products from a web site. Therefore, it is important to make sure that all elements of the web page work properly. Generally, web pages are not patented. A patent doesn't necessarily protect web-page content from plagiarism. Although it is a good idea to consult an attorney regarding legal content posted on web pages, not all web pages include legal content. Therefore, it is not a procedure that should always be performed. Web-page content is not subject to international trade requirements.
SOURCE:   NF:042
SOURCE:   Rayport, J. F., & Jaworski, B. J. (2004). *Introduction to e-commerce* (2nd ed.) [p. 160]. Boston: McGraw-Hill/Irwin.

80. B
Obtaining resources. Resources refer to any person or item that the business uses to accomplish an objective. Operations management is the process of planning, controlling, and monitoring the day-to-day activities required for the company to function. This includes obtaining and allocating the appropriate type and amount of resources to do the work, such as employees, equipment, and supplies. Contacting customers is a sales activity. Selecting media is a promotional activity. Analyzing investments is a financial activity.
SOURCE:   OP:189
SOURCE:   Gaspar, J., Bierman, L., Kolari, J., Hise, R., Smith, L., & Arreola-Risa, A. (2006). *Introduction to business* (p. 558). Boston, Houghton Mifflin.

81. D
Reporting noncompliance. Certain government agencies have developed health and safety regulations that businesses are expected to follow in order to provide employees with a safe work environment. If businesses do not comply with these regulations, they should be reported for noncompliance so the necessary action can be taken to solve the problem and make the workplace safe for employees. The goal is to correct dangerous situations and keep the workplace safe. An employee notifying a government agency is not an example of spreading gossip, unethical behavior, or verbal communication. In fact, the employee is exhibiting ethical behavior. Also, the employee may have notified the agency in writing which is nonverbal communication.
SOURCE:   OP:005
SOURCE:   Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 407-408). Tinley Park, IL: Goodheart-Willcox.

82. A
Taking shortcuts. Employees who are learning a new skill should work slowly and cautiously, and avoid taking shortcuts. The quickest way is not necessarily the best way to complete tasks. Employees should practice the new skill using the appropriate steps and following the order in which they were instructed to use them. Employees who are learning a new skill should ask questions, follow rules, and act safely.
SOURCE:   OP:007
SOURCE:   Spears, M.C., & Gregoire, M.B. (2004). *Foodservice organizations: A managerial and systems approach* (5$^{th}$ ed.) [pp. 320-323]. Upper Saddle River, NJ: Prentice Hall.

83. C
Bomb threat. Emergency situations usually occur unexpectedly. Therefore, business employees should know how to handle and report them even if it is unlikely they will occur. An example of an emergency situation is a bomb threat. Although most businesses will never have a bomb threat, employees should know what to do to be prepared if it happens. Internal theft, check fraud, and stolen identity are not examples of emergency situations.
SOURCE:   OP:010
SOURCE:   Ball, D.A., McCulloch, W.H., Frantz, P.L., Geringer, J.M., & Minor, M.S. (2006). *International business: The challenge of global competition* (10th ed.) [pp. 281-286] Boston: McGraw-Hill/Irwin.

84. A
Burglary. Any illegal entry into a building to commit theft is called burglary. It can be committed by anyone—strangers, employees, customers, or vendors. Burglars use a variety of methods to gain entry to a business, such as picking locks, hiding in a building until the business has closed for the day, using a stolen or duplicate key, or using force to break open doors or windows. Robbery is theft that involves the use of force, violence, or fear. Fraud is deceiving or cheating a business out of money or property. Shoplifting is the theft of goods by customers.
SOURCE:   OP:013
SOURCE:   Kimiecik, R. C., & Thomas, C. (2006). *Loss prevention in the retail business* (pp. 16-17). Hoboken, NJ: John Wiley & Sons.

85. D
Industrial purchasing. Industrial purchasing is the process of buying goods and services for internal consumption in the business or conversion into a final product. Purchasing for resale is the process of purchasing goods in large quantities and reselling them in smaller quantities. Wholesaling is purchasing goods from manufacturers and reselling them to other businesses. Financing is a marketing function that involves understanding the financial concepts used in making business decisions.
SOURCE:   OP:015
SOURCE:   OP LAP 2—Buy Right (Purchasing)

86. D
Repeat orders. Since successful selling is all about building customer relationships, it is important not to end contact with your customers once the product they ordered is delivered. What you do after the sale is as important as the steps leading up to it. The customer will appreciate the fact that you followed up afterwards, which will frequently lead to repeat orders. There is no evidence to suggest that following up with customers results in returned merchandise or frustration for either you or the customer. Additionally, there is no reason to think that following up with customers will cause your supervisor to intervene. Following up after orders are delivered is a practice that supervisors wholeheartedly encourage!
SOURCE:   OP:016
SOURCE:   Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 612-614). Tinley Park, IL: Goodheart-Willcox.

87. C
By identifying consumers' needs and wants. A wide variety of marketing-research data is available from libraries, government agencies, and trade publications. Or, the business can conduct its own research. The data can help the business to produce products that consumers need or want and are willing to buy. Determining how products will be produced is a planning step that involves deciding what equipment will be needed, the number of workers, and the time required. Identifying the resources needed in production is part of the purchasing function. Setting the timetable to be used in production is part of scheduling.
SOURCE:   OP:017
SOURCE:   Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 237, 289-290). Tinley Park, IL: Goodheart-Willcox.

88. A
Their materials in order. Organized workers are more efficient than disorganized workers because they have their materials in order, they know where to find things, and they plan the use of their time. This prevents delays, reduces frustrations, and decreases the number of mistakes they make. Being organized does not guarantee that they will have better skills, more experience, or well-planned careers.
SOURCE:   PD:009
SOURCE:   Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [p. 300]. Mason, OH: South-Western Cengage Learning.

89. D
Set and attain a social goal. Sylvia is actively setting and working toward achieving a social goal. She would like to make friends in an environment where she can really get to know someone outside of the classroom. Setting the goal of attending one function weekly gives Sylvia the opportunity to measure her attainment of the goal that she has set. Sylvia is trying to attain a short-term goal rather than a long-term goal. Sylvia has turned her wants into a goal. The goal Sylvia set is not about education.
SOURCE:   PD:018
SOURCE:   PD LAP 16—Go For the Goal (Goal Setting)

90. A
Decisions support objectives. First, you set your objectives. Then, you decide which activities to do to reach your objectives. In this way, your decisions support your objectives—not the other way around. If your decisions undermine your objectives, you really had different objectives than you thought. Your objectives do not undermine your decisions.
SOURCE:   PD:017
SOURCE:   PD LAP 10—Weigh Your Options

91. D
Appreciative inquiry. According to the appreciative inquiry problem-solving approach, if you think something is a problem, it is one. In other words, problems are often the result of the way you look at an issue. The best thing to do is to frame the problem in a more positive way and stop thinking of it as a problem. In this case, you stopped thinking of your loneliness as a problem and started thinking of it as a motivation to get out and make some new friends. Mind mapping is a problem-solving method that involves drawing out your problem on a large sheet of paper. Brainstorming is a problem-solving method in which a group throws out possible solutions to the problem. The intuitive problem-solving approach requires you to wait for the solution to flash into your mind. None of these three methods is described in this situation.
SOURCE: PD:077
SOURCE: IS LAP 2—No Problem

92. B
Health conditions. A safe working environment includes safe health conditions. Workers have a right to expect that the physical facility in which they work will be healthy and not contribute to illness. The work area should be well ventilated and have sufficient light. Proper health conditions also include allowing rest breaks and time for meals. A safe working environment does not include medical benefits and sick-leave policies. Some larger businesses have on-site exercise facilities, but employees cannot expect all businesses to provide such facilities.
SOURCE: PD:021
SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 111-112]. Mason, OH: South-Western.

93. D
Aptitude test. An aptitude test measures what a person is capable of doing and what s/he might be capable of doing with additional training or education. Interest surveys measure interest in various occupations. Intelligence tests measure current knowledge. Personality tests measure personality traits.
SOURCE: PD:023
SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp.174-175]. Mason, OH: South-Western.

94. A
Nonprofit institutions. Nonprofit institutions are businesses and organizations whose intent is to make enough money to support their mission. They are in business to help others rather than to reward stockholders, investors, or owners. They usually provide stable employment opportunities because they are well established and do not have to make a profit to continue to exist. Partnerships, corporations, and sole proprietorships are in business to earn a profit and pay stockholders, investors, and owners.
SOURCE: PD:025
SOURCE: Bovée, C. L., Thill, J. V., & Mescon, M. H. (2007). *Excellence in business* (3rd ed.) [p. 27]. Upper Saddle River, NJ: Pearson Prentice Hall.

95. D
Salary requirements. Some employment applications ask you to indicate your salary expectations or requirements. This type of information is better to discuss in person because the wage you are willing to accept may depend on other factors such as paid benefits, vacation time, tuition reimbursement, etc. It is acceptable to write "open" or "negotiable" in this section which will give you the opportunity to find out more about the position in an interview before making salary decisions. Information that you should routinely provide in an employment application includes your job expectations, personal references, and any special qualifications you may have.
SOURCE: PD:027
SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [p. 47]. Mason, OH: South-Western.

96. C
Ask for the job. At the conclusion of an employment interview, applicants who are interested in the position should tell the interviewer that they want the job. It is acceptable for applicants to ask for the job by saying that they are qualified to do the work and would like to be considered for the position. Simply asking for the job is the easiest way of letting an interviewer know that you are interested. Employment decisions usually are not made during the interview; therefore, an applicant would not sign a contract or accept the job. Many businesses require applicants to take drug tests after they have been offered jobs.
SOURCE:   PD:028
SOURCE:   Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [p. 69]. Mason, OH: South-Western.

97. C
Ask for an interview. One of the purposes of the closing paragraph in a letter of application is to ask for an interview. Applicants often restate their interest in the job and ask for an opportunity to discuss their qualifications at the interviewer's convenience. They may include their phone numbers and when they can be reached. References are not included in a letter of application, although they may be listed on a résumé. Applicants review their education and explain their qualifications in earlier paragraphs, rather than in the closing paragraph.
SOURCE:   PD:030
SOURCE:   Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 125-126). New York: Glencoe/McGraw-Hill.

98. C
Full-time positions. An internship is a non-paid position with a company, organization, or government agency. Internship programs offer practical experience in specific occupations and also teach important job skills. Young people who perform well during an internship may be offered full-time, paid positions. They often have an advantage over other applicants because they have experience, are already working, and are known by management. Internship programs provide a type of on-the-job training. Young people may decide to continue their education after participating in internship programs. Some internship programs are a form of community service.
SOURCE:   PD:032
SOURCE:   Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 55). New York: Glencoe/McGraw-Hill.

99. C
Promotions. One way to advance in a career is to be promoted. Businesses often promote from within and consider certain traits and qualities when reviewing employees for promotion. Employees who are willing to accept more responsibility and continue to learn about all aspects of the business are likely to be promoted. These employees are behaving in a way that indicates they are capable of doing more and are ready to accept new challenges. These employees often obtain additional training on their own, or regularly participate in training offered by the business. Transfers involve moving to other jobs or to other locations. Not all transfers are promotions. Some transfers are on the same level while others may be demotions. Employees who are willing to accept more responsibility and continue to learn about the business usually do not need counseling.
SOURCE:   PD:034
SOURCE:   Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 486-488). New York: Glencoe/McGraw-Hill.

100. B
It involves planning for the next three-to-five years. Strategic planning is long-range planning for the company as a whole and is a responsibility of top-level management. Short-term planning is done by lower level managers. Strategic planning is not a supervisory technique nor is it limited to departments that are not performing well.
SOURCE:   SM:001
SOURCE:   BA LAP 6—Manage This!