

KEY

Test Number 911

Hospitality Services

This comprehensive exam was developed by the MarkED Resource Center. Items have been randomly selected from the MarkED Resource Center's Test-Item Bank and represent a variety of instructional areas. Competencies for this exam are at the prerequisite, career-sustaining, marketing specialist, marketing supervisor, and manager levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.

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1. B
Corporation. By starting a corporation, Tim and Dan can sell stock to raise the necessary capital to cover business expenses. By owning the majority of the stock themselves, they can still control the hospitality business. A sole proprietorship is a business owned by one person. A major disadvantage of a partnership is that the capital available is limited to the partners' resources, so partnership is not the best option for Tim and Dan. A franchise owner buys the right to sell the goods or services of the parent company. Franchises are business ownership options rather than legal business structures.
SOURCE: BL:003
SOURCE: BA LAP 7—Own It Your Way
2. D
Conserve natural resources. One of the main goals of environmental regulations is to conserve natural resources by requiring hotel supply businesses to control pollution, dispose of hazardous waste properly, and use nonrenewable resources wisely. These regulations set pollution standards that businesses must meet, establish rules for disposing of waste, encourage recycling, and monitor illegal dumping. The goal is to protect the environment rather than publicize problems, although major violations often become news. Businesses establish their own code of ethics. The goal of environmental regulations is not to limit corporate profits, although following the regulations may be costly to businesses.
SOURCE: BL:005
SOURCE: Everard, K.E., & Burrow, J.L. (2001). *Business principles and management* (11th ed.) [pp. 41-43]. Cincinnati: South-Western.
3. D
Identify the hotel or department and yourself. General guidelines for answering a convention hotel telephone include greeting the caller, identifying yourself and the hotel or department, and asking how you can be of assistance to the caller. It is not always necessary to get the correct spelling of the caller's name. Immediate action may also not be required. Callers should not be called by their first names unless they are personal acquaintances of the individual answering the telephone.
SOURCE: CO:114
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (p. 681). Tinley Park, IL: Goodheart-Willcox.
4. C
Work to understand what the communication means. Effective written communication presents information in a clear, easy-to-read style so that readers do not have to try to figure out what the communication is all about. Readers should be able to grasp the communication's message in a minimum amount of reading time. Written communication should follow a logical train of thought, and readers should be able to find the information they need within the communication.
SOURCE: CO:016
SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (1999). *Communicating for success* (2nd ed.) [pp. 116-119]. Cincinnati: South-Western Educational.
5. D
Assign someone to take notes during the meeting. It is important to have a record of what was discussed at the meeting. These notes, or minutes, should be written up as soon as possible and distributed to all staff members who attended the meeting and to those staff members who were absent, so that everyone has the same information about the meeting. It is impossible to prevent all disagreements, but the person conducting the meeting should keep the differences of opinion from getting out of control. Staff members should be encouraged to participate, but not to take as much time as they wish. The leader of the meeting should not sit at the head of the table or stand above the staff because it often creates a communication barrier.
SOURCE: CO:140
SOURCE: Ricketts, C. (1997). *Leadership: Personal development and career success* (p. 293). Albany, NY: Delmar.

6. D

The customer has a destination that s/he does not know how to reach. Employees should be familiar with the area in which their hospitality businesses are located and be able to communicate directions to customers who need them. It would not be appropriate to direct a customer to another business simply because the employee is having difficulty pleasing the person. Most businesses have a telephone that customers can use, but if this is not the case, the employee should obtain the information the customer needs. Employees should justify the price of the products they sell with the quality of the product when customers raise an objection based on price.

SOURCE: CO:073

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (1999). *Communicating for success* (2nd ed.) [pp. 112-114]. Cincinnati: South-Western Educational.

7. D

Motor carriers. Businesses consider the kind of product when making distribution decisions. Businesses distributing large quantities of small-sized supplies to motels probably would use trucks or other motorized vehicles because they are faster than rail or water carriers and less expensive than air carriers. Rail carriers are used to haul heavy, bulky goods. Water carriers are a slow means of transporting bulky products. Air carriers are an expensive way of handling fragile, perishable, or emergency shipments.

SOURCE: DS:001

SOURCE: DS LAP 1—Distribution

8. C

A dispatcher has current knowledge of a delivery truck's location and destination. Satellite tracking is the use of satellites and technological systems that allow for the transmission of information between two parties. Satellite tracking would help a business locate a package while it is en route in order to provide an estimated arrival time to the package recipient. Computer systems that perform warehouse functions that are usually executed by humans are called artificial intelligence systems. A computer software program would be used to create routing plans for transportation companies, not a satellite tracking system. Satellites are not generally needed to enter information into an electronic device.

SOURCE: DS:054

SOURCE: Coyle, J.J., Bardi, E.J., & Langley, C.J. (2003). *The management of business logistics: A supply chain perspective* (7th ed.) [p. 465]. Mason, OH: South-Western.

9. A

Competition. Competition is rivalry between two or more businesses to attract customer dollars. It should not be prevented through specific business actions such as tying agreements which require a customer to buy other products in order to obtain desired goods and services. Tying agreements are considered illegal if they substantially limit competition by preventing other distributors from obtaining and selling the same product to customers. Tying agreements are not considered illegal if they limit profitability, management, or technology.

SOURCE: DS:058

SOURCE: Armstrong, G., & Kotler, P. (2000). *Marketing: An introduction* (5th ed.) [p. 377]. Upper Saddle River, NJ: Prentice Hall.

10. C

Shortage. If a shortage occurs, this means the business has not received as much as it ordered, and the vendor should be asked to deliver the balance of the order. There are no excess goods to be returned. The other alternatives are acceptable reasons for returns to vendors. An overage occurs when too much is shipped by the vendor. If goods are damaged in transit, or the vendor substitutes goods for the original request, a return to the vendor may be necessary.

SOURCE: DS:086

SOURCE: Berman, B., & Evans, J.R. (2004). *Retail management: A strategic approach* (9th ed.) [pp. 384-385]. Upper Saddle River, NJ: Prentice Hall.

11. A
Book inventory. Perpetual inventory is also called book inventory because, in earlier times, ongoing records of sales transactions were written in books. Perpetual inventory records track stock on an ongoing basis, but they do not control transactions. Physical inventory is an actual count of stock.
SOURCE: DS:025
SOURCE: DS LAP 6—Counting Inventory
12. C
Electronic. Many lodging facilities use an electronic locking system. Electronic locks involve the use of a computer system that generates special codes to ensure security. To enter his/her room, the guest places a plastic key card in the locking mechanism, which scans the computer-generated code. Since the cards are disposable, there is no need to maintain key inventories. The next guest who is assigned to a room receives a disposable key card with a different code. Mechanical locks are traditional locking systems, which require standard keys for entry. Guests need to return the keys to the front desk upon departure because they are reused. Cordless and fail-safe are not common terms that the hospitality industry uses to describe locking systems.
SOURCE: DS:079
SOURCE: Vallen, G.K., & Vallen, J.J. (2005). *Check-in: Check-out* (7th ed.) [pp. 570-573, 580]. Upper Saddle River, NJ: Pearson Education.
13. A
Follow company policy. Employees must follow company policies in shoplifting situations because these policies have been established to protect the hotel gift shop and reduce inventory shrinkage. Employees would only call the police if that is company policy. Employees should never ignore the problem. If you leave a shoplifter to call the police, s/he may discard stolen merchandise or leave the area. Writing a report of the incident might be an appropriate action at a later time but not at the time the shoplifting occurs.
SOURCE: DS:026
SOURCE: DS LAP 4—Inventory Shrinkage
14. A
Control costs. Requisition procedures provide guidelines in regard to ordering goods and issuing existing inventory for food preparation. Guidelines often help hotels and restaurants maintain appropriate inventory levels, which control costs. For example, a hotel manager requests large quantities of highly perishable goods. Only one third of the goods are used. Therefore, the business loses money because the goods have a very limited shelf life. Requisition procedures help to maintain appropriate inventory levels and do not necessarily decrease them. Although storage space is a factor in determining appropriate inventory levels for products, it is not the primary consideration when developing requisition procedures. Product standards are established to maintain consistency and quality when purchasing products. Grade refers to the level of quality of a specific product.
SOURCE: DS:067
SOURCE: Mill, R.C. (1998). *Restaurant management: Customers, operations, and employees* (pp. 192-193). Upper Saddle River, NJ: Prentice Hall.
15. C
Distribution channels. Long-term commitments are made to channel members to insure reliable flow of products to consumers. It is often difficult to change distribution channels without disrupting the flow of goods. Price, promotion, or packaging have no impact on the consumer if the product is not available. Target markets are the consumers and may change if the product changes. Market strategies are designed to be adaptive to current market input.
SOURCE: DS:048
SOURCE: Pride, W.M., & Ferrell, O.C. (2000). *Marketing: Concepts and strategies* (p. 350). Boston, MA: Houghton Mifflin.

16. C
Market. Market factors deal with where the consumers are, who they are, the information they require, and the size of their orders. Product factors deal with the nature of the product. Producer factors deal with the amount of the producer's funds, the size of the sales force, and the amount of control desired over the channel. Factors related to intermediaries include whether to use them and whether their services are worth the cost.
SOURCE: DS:050
SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 440-441]. Mason, OH: Thomson/South-Western.
17. C
The motel performing the service. Service businesses perform intangible activities that satisfy the wants of consumers and industrial users. If a good is used in performing the service, its title, or ownership, is not given to the customers but is retained by the business performing the service. The customer receives the service, but the business owns the good. For example, a motel rents a room to a guest for one week. The motel owns the room and the furniture, while the guest simply buys the use of the room. The motel retains ownership of the room and the furniture, not the producer that made the furniture or the supplier that sold the furniture to the motel.
SOURCE: EC:070
SOURCE: MB LAP 6—Business and Society
18. D
Staffing. Staffing is the management function of finding workers for the hospitality business. Staffing is an important part of management and includes all the activities necessary for the recruiting, hiring, and training of the people who work to produce goods and services. People are a business's most important resource; therefore, effective staffing is a vital aspect of the business. Without competent and satisfied employees, businesses would not be able to perform their primary functions. Pricing, promoting, and selling are marketing activities.
SOURCE: EC:071
SOURCE: MB LAP 10—Business Activities
19. B
No competition. One of the problems often associated with a communist command economy is that there is no competition. Businesses are not free to find less costly and time-consuming methods of production, which means that resources are often used inefficiently. The possibility of financial loss is one of the problems of a market economy. A high tax burden is a problem of a socialist command economy. Lack of growth is the major problem for traditional economies.
SOURCE: EC:007
SOURCE: EC LAP 17—Economic Systems
20. D
Gross. Gross profit is money left after the cost of goods is subtracted from total income. Net profit is the money remaining after operating expenses are subtracted from gross profit. It is considered to be true profit. Intangible describes items that cannot be perceived through the senses, e.g., insurance protection.
SOURCE: EC:010
SOURCE: EC LAP 2—Risk Rewarded (Profit)
21. C
A special promotion fails to increase room sales. A speculative risk may result in a loss, no change, or a gain. Promotions are speculative risks because they may or may not be successful. Lost goods, a customer's lawsuit, and theft at the register are examples of pure risks which have the possibility of loss or no loss and can be covered by insurance.
SOURCE: EC:011
SOURCE: EC LAP 3—Business Risk

22. B

Low depth. Depth is the amount of control and decision making an employee has in a job. If the job has low depth, the ski resort employee has strict guidelines to follow and makes very few decisions. Usually, jobs that involve mass production by means of assembly lines have low depth. Jobs with high scope involve less frequent repetition and more variation. Jobs with low scope involve doing one specialized task over and over again. Jobs with high depth allow employees to make decisions and set their own pace.

SOURCE: EC:014

SOURCE: EC LAP 7—Specialization of Labor

23. D

Learning differences in body language. Body language includes gestures, facial expressions, tone of voice, or any other form of communicating without words. These forms of nonverbal communication have different meanings in different parts of the world. Furthermore, some gestures that are acceptable in one country are actually offensive in other countries. Businesspeople who take the time to learn the differences in body language usually are able to develop cultural sensitivity and avoid using inappropriate gestures and facial expressions. Businesspeople do not develop cultural sensitivity by practicing oral presentation skills, taking a course in ancient history, or studying road maps of various countries.

SOURCE: EI:033

SOURCE: Lehman, C.M., & DuFrene, D.D. (1999). *Business communication* (12th ed.) [p. 24]. Cincinnati: South-Western College.

24. D

Interdependent. Things and people are said to be interdependent if they must rely upon one another for some reason. Being self-sufficient means relying on one's self. Being efficient is doing things without wasted time or effort. An ineffective worker is one who has trouble carrying out his/her job responsibilities.

SOURCE: EI:037

SOURCE: HR LAP 9—Positive Working Relationships

25. B

Domineering/Superior. These customers are overly confident and feel that they know more and are better than the average person. They will often behave in an arrogant manner toward hotel gift shop employees. Suspicious customers question everything and may want facts and proof before being convinced that something is true. Dishonest customers intentionally attempt to avoid paying for the good or service by deceiving the salesperson. Slow/Methodical customers require a lot of time to make a purchase because of shyness or difficulty in making a choice or buying decision.

SOURCE: EI:013

SOURCE: EI LAP 1—Making Mad Glad (Handling Difficult Customers)

26. D

Personnel. The server, who is an employee of the hotel restaurant, is at fault for failing to serve the requested beverage. The quality of the product, its price, and the business itself are not reasons for complaining.

SOURCE: EI:043

SOURCE: HR LAP 23—Handling Customer Complaints

27. C

By the nature of the transaction (simple vs. complex). Hotels have discovered that not all guests need to wait the same amount of time for service. Some differentiate among guests—for example, on the basis of need or priority. But this must be done on a basis that does not alienate good customers or discriminate against them. Many types of hospitality businesses have established express operations to take care of guests with simple requests or transactions. More complex transactions are handled in a separate designated area, so as not to lengthen the wait for everyone else. Differentiating on the basis of "importance of the guest" has the potential to alienate guests not designated as "important" since hotels want to build relationships with all their guests. It is not generally a good practice to differentiate on the basis of who's angry. This will send a message to other guests that if they are angry they can wait less time, too. Differentiating guests on a waiting list on the basis of appearance or nationality is discriminatory and should not be practiced.

SOURCE: EI:054

SOURCE: Zeithaml, V.A., & Bitner, M.J. (2000). *Services marketing: Integrating customer focus across the firm* (2nd ed.) [pp. 387-390]. Boston: Irwin/McGraw-Hill.

28. B

Credit. There are different kinds of credit accounts that allow customers to buy now and pay later. These include budget accounts which are usually short-term credit arrangements, but the sales are not referred to as budget sales. In a cash sale, the full price is paid at the time of purchase. A layaway sale is a type of credit sale in which the customer does not take possession of the good or service until all payments have been made.

SOURCE: FI:002

SOURCE: FI LAP 2—Credit and Its Importance

29. A

The accrual method of accounting. This method records transactions at the time they occur even if no money changes hands at the time. In the cash accounting method, transactions are recorded at the time the money changes hands. An income statement is a financial summary that shows how much money the business has made or lost. Recorded information is classified when it is posted or transferred from a daily journal to an appropriate ledger.

SOURCE: FI:085

SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)

30. B

Payroll and benefits. Payroll and benefits are often one of the largest sources of money flowing out of a beach resort because resorts must pay employees for their labor. Many resorts also pay for employee benefits, such as health insurance, paid vacation, sick leave, tuition reimbursements, and retirement savings. Resorts bring money in by selling goods and services. Accounts receivable are all the monies owed to a firm by its customers. Profit and loss indicates if the resort is making sufficient money to cover its expenses.

SOURCE: FI:091

SOURCE: MN LAP 60—Cash Flow

31. B

Those without bank accounts. The employees who benefit the most from a payroll debit card (paycard) are those who do not have bank accounts at all. Employees are able to use a paycard to make purchases, just as they would use a debit card—but without referencing a bank account. Direct deposit recipients do not necessarily desire a paycard because their funds are deposited in an account. Those in management and those with long employment histories do not necessarily benefit from a paycard more than other employees.

SOURCE: FI:095

SOURCE: Paper or plastic for your payroll "check"? (2005, August). *Payroll Practitioner's Monthly*, 5 (8th ed.) [p. 1].

32. D
Past sales records. Want slips, comparison shopping, and consumer surveys are all useful tools in determining customers' wants and needs, but past sales records are better tools with which to plan future buying.
SOURCE: FI:099
SOURCE: Louderback, J.G., & Holmen, J.S. (2003). *Managerial accounting* (10th ed.) [pp. 232, 234, 523-532]. Mason, OH: South-Western.
33. A
Preparation cost. Hotel restaurants consider several factors when determining the selling price of menu items in order to earn the desired amount of profit. One of these factors is the cost of preparing the items. Items that are made from scratch are more expensive to prepare because of the time involved than items that are ready to serve or require minimal preparation. Restaurants factor in the cost of preparing the food items when determining the selling price. Restaurants do not consider customer income, purchasing process, or advertising method when determining the selling price of menu items.
SOURCE: FI:300
SOURCE: Mill, R.C. (1998). *Restaurant management: Customers, operations, and employees* (pp. 105-107). Upper Saddle River, NJ: Prentice Hall.
34. C
Daily Revenue. The Daily Revenue Report is used to analyze income from all sources including the hotel's accounts receivable, which are all the monies owed to the hotel. The report indicates the amount of money received by the hotel and what payment method was used for each transaction such as credit card, cash, or direct bill. Payments that the hotel will not receive for a period of time are considered accounts receivable. For example, if a hotel has a direct-bill agreement with a large business, the hotel will send a bill to the business instead of collecting payment from the business's employees who stay at the hotel. This revenue is listed under the accounts receivable category in the Daily Revenue Report. The Rate Analysis Report indicates the various rates that guests are paying. The Cumulative Charges Report tracks a guest's charges throughout his/her stay. The Cashier's Shortage Report indicates that a cash drawer has less money than it should and does not balance.
SOURCE: FI:314
SOURCE: Vallen, G.K., & Vallen, J.J. (2000). *Check-in: Check-out* (6th ed.) [p. 461]. Upper Saddle River, NJ: Prentice Hall.
35. C
Performance. A termination for performance is used when an employee consistently exhibits poor performance compared to established performance criteria. Termination for cause occurs when an employee's conduct seriously violates company policies or jeopardizes the company or other employees. Turnover occurs when employees resign and new employees are hired.
SOURCE: HR:358
SOURCE: Dessler, G. (2000). *Human resource management* (8th ed.) [pp. 378-380]. Upper Saddle River, NJ: Prentice Hall.
36. A
On-the-job. Executive training is for management and may include on-the-job training. Follow-up occurs after training is completed. Role-play training involves trainees in acting out possible work situations in a controlled environment.
SOURCE: HR:362
SOURCE: MN LAP 42—Training and Human Resource Development
37. B
The management. It is management's responsibility to know, to understand, and to implement the laws that apply to the particular hospitality business. If this does not happen, the government may take the business to court, or employees may file lawsuits. However, the basic responsibility for following the law is management's.
SOURCE: HR:367
SOURCE: MN LAP 55—Managing Diversity in the Workplace

38. A
Company. The hotel is responsible for providing proof that an employee has violated company standards, rules, or regulations. Records, in the form of time cards, examples of below-standard work, written complaints from customers, and summaries of appraisal conferences provide the necessary evidence to support the employer's position. Customers may file complaints, but they are not responsible for proving that an employee has violated company regulations. Courts have imposed legal restrictions on businesses' taking remedial action against employees. Unions generally support their members in disputes with management unless the business has maintained accurate and complete records substantiating an employee's violation of regulations.
SOURCE: HR:369
SOURCE: MN LAP 53—Remedial Action
39. A
Cost-effectiveness. Marketing information must provide more or greater benefits to the user than the costs of gathering it, or it becomes useless. Timely data must be up-to-date and gathered at a time when they will be of most value to businesses. Accessible data should be readily available so that they can be gathered without excessive cost or effort. Sufficient data should provide enough material to enable marketers to make decisions.
SOURCE: IM:001
SOURCE: IM LAP 2—Marketing-Information Management
40. B
Quantitative research. In quantitative research, your aim is to determine the relationship between one thing (an independent variable) and another (a dependent or outcome variable) in a population. The aim of qualitative research is to explore and understand the attitudes, opinions, feelings, and behaviors of individuals or a group of individuals. Both types of research gather information for market analysis; neither is the analysis itself. You will need to do the research before you can identify your target market.
SOURCE: IM:163
SOURCE: Davis, G. (n.d.). *Introduction to marketing research*. Retrieved October 19, 2006, from <http://sbm-connect.tees.ac.uk/mmdid/>
41. B
Credibility. To protect its integrity, a hotel chain should report findings in a truthful manner. By misrepresenting material, the chain runs the risk of losing the public's trust. A loss of trust might lead to financial losses or closure for the chain. Availability refers to the level of accessibility or the ability to obtain something. Confidentiality refers to the level of one's privacy. Elasticity is a term used to describe the economic condition of how changes in price affect changes in the amounts of products that are demanded and supplied.
SOURCE: IM:025
SOURCE: Churchill, G. (2001). *Basic marketing research* (4th ed.) [p. 65]. Mason, OH: South-Western.
42. B
Cookies. Some web-site computers place information, a "cookie," on a user's hard drive when the user visits the site. The next time a user visits that site, the site's computer recognizes the user because of the cookie. Marketing-information employees use cookies to maintain user information and track how many times a user visits a specific web site or buys a product. This type of data allows marketing-information employees to customize web sites in order to appeal to the preferences and habits of the consumers who are visiting their sites. A browser is software that allows a computer to access information on the Internet. Spiders are a type of search tool. A bookmark is a term used to describe a web site that is marked for later reference.
SOURCE: IM:183
SOURCE: Broadbent, B. (1998). *Using the internet smarter and faster at home, on the road, or at the office* (pp. 125-126). Menlo Park, CA: Crisp Publications.

43. D
Require sales representatives to submit lost-business reports on each lost customer. Requiring sales representatives to submit lost-business reports on each lost customer would allow the hotel supply company to learn the reasons customers are leaving and to determine areas where improvements are needed. Increasing advertising and using an online database are not ways of using the sales force. Asking customers to visit the web site will not obtain the needed information.
SOURCE: IM:184
SOURCE: Kotler, P. (2000). *Marketing management* (10th ed.) [pp. 47-50]. Upper Saddle River, NJ: Prentice Hall.
44. D
Survey. Survey involves asking consumers questions in order to learn their opinions and the reasons behind those opinions by using mail surveys, telephone interviews, personal interviews, and group interviews. Observation involves watching and noting consumers' reactions to products or ideas. A focus group is a small group of individuals assembled to discuss a particular subject. Sampling is the technique of choosing the segment(s) of the population who will be surveyed in a marketing-research project.
SOURCE: IM:010
SOURCE: IM LAP 5—Nature of Marketing Research
45. B
Redesign. Marketing strategies are influenced by many factors not within the direct control of the hotel chain. These include the actions of competitors, the influences of governmental agencies, and changes in consumer attitudes. When any of these factors change, the chain may need to change, or redesign, its marketing strategies in order to continue to meet company goals. The strategies should already have been identified and implemented in an established hotel chain. The chain may publicize its goals or its achievements but would probably not publicize the strategies used to achieve those ends.
SOURCE: IM:194
SOURCE: IM LAP 7—Pick the Mix (Marketing Strategies)
46. B
Market. A market consists of customers or potential customers who have unfulfilled desires and are financially able and willing to satisfy those desires. An economic system is the organized way in which a nation handles its economic decisions and solves its economic problems. A corporate chain consists of a number of similar stores owned and managed by a corporate organization. A cooperative is a business that is owned and operated by its customers.
SOURCE: IM:196
SOURCE: IM LAP 9—Have We Met? (Market Identification)
47. A
To remain competitive. When a hospitality business's external environment changes, it should evaluate its internal environment in order to remain competitive. External changes, such as industry growth or a slowdown in the economy, often make it necessary for a company to change the way it does business. These types of external changes might make it more difficult for a business to compete and remain successful. In response to external changes, a business might update its advertising, revise its pricing, and improve its distribution in order to remain competitive.
SOURCE: IM:140
SOURCE: Churchill, G.A., Jr., & Peter, J.P. (1998). *Marketing: Creating value for customers* (2nd ed.) [pp. 98-99]. Boston: Irwin/McGraw-Hill.

48. A

Promotion. Promotion is a marketing activity that refers to the various types of communications that marketers use to inform, persuade, or remind customers of their products. When hotel chains conduct a competitive analysis, they consider their competitors' promotional activities because promotional activities have an impact on a chain's success in attracting customers and selling products. As a result of analyzing competitors' promotional activities, a chain might decide to use similar activities because they have proven to be effective. Risk management and purchasing are business activities rather than marketing activities. Management research is not a marketing activity.

SOURCE: IM:241

SOURCE: Boone, L.E., & Kurtz, D.L. (2004). *Contemporary marketing* (11th ed.) [pp. 64-68]. Mason, OH: Thomson/South-Western.

49. A

External opportunity. A SWOT analysis is the systematic evaluation of a hospitality business's internal strengths and weaknesses and external opportunities and threats. Once the analysis identifies an internal strength, businesses generally use that strength to take advantage of an external opportunity that has been identified. Being able to match strengths to opportunities is one of the advantages of conducting a SWOT analysis. For example, having modern production facilities is a strength that allows a business to take advantage of the opportunity to expand into new markets. A marketing strategy is a plan of action for achieving marketing goals and objectives. Operating procedures are the steps a business follows to perform certain tasks. Promotional techniques are methods of achieving promotional goals.

SOURCE: IM:141

SOURCE: IM LAP 8—Analyze This! (SWOT Analysis)

50. A

Schedule of regional events. Any time a region hosts a special event, such as the Indianapolis 500, area hotels and motels expect higher room occupancy rates due to the increase in spectators or visitors attending the event. By knowing the special events in advance, the property can estimate, or forecast, the number of guests during a given time period. This type of information helps to determine what staffing requirements are needed to accommodate the guests. The hotel property value and the size and shape of guest rooms are not primary elements used to forecast occupancy rates. Hotel productivity standards are tools used to establish and measure service levels of the facility.

SOURCE: IM:224

SOURCE: Educational Institute of the American Hotel & Motel Association (1999). *Lodging management program: Year one* (p. 128). Lansing, MI: Author.

51. A

Provides guidelines for personnel to meet the hotel's objectives. A marketing plan is a set of procedures or strategies designed to attract target customers to a convention hotel. A comprehensive marketing plan identifies the specific actions and activities that a hotel will use to attract its target customers. Therefore, the marketing plan provides guidance for employees who are carrying out the marketing activities. Because internal and external factors change, a marketing plan does not reduce the need for a hotel to develop corrective action or contingency plans, nor does it increase its financial security. Marketing plans contain both short-term and long-term goals.

SOURCE: IM:198

SOURCE: Boone, L.E., & Kurtz, D.L. (2002). *Contemporary marketing* (p. 202). Mason, OH: South-Western.

52. D

Authorization number. Many bed and breakfasts use an outside service to verify the validity of a customer's personal check. These companies maintain credit information on checking accounts and are able to tell a bed and breakfast if a checking account is in good standing. When bed and breakfasts verify a check with an outside service, they usually receive an authorization number that indicates that the check is valid. Some outside services actually guarantee the checks and will reimburse the bed and breakfast if the check is bad. Personal checks do not have an expiration date. Account identification information is printed on a check. Voucherless imprint involves the use of credit cards.

SOURCE: NF:075

SOURCE: Vallen, G.K., & Vallen, J.J. (2000). *Check-in: Check-out* (6th ed.) [p. 414]. Upper Saddle River, NJ: Prentice Hall.

53. 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: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (1999). *Communicating for success* (2nd ed.) [pp. 301-302]. Cincinnati: South-Western Educational.

54. D

Checkout. Housekeeping employees usually clean the rooms in which guests have already checked out of the hotel. Rooms having the vacant and ready code are currently available for sale and do not need cleaning. Rooms with an out-of-order code are the rooms that are not for sale because they need maintenance. Stay-over rooms are occupied rooms in which the guests are not leaving or checking out. Rooms with a stay-over code are usually cleaned after the rooms with a checkout code.

SOURCE: OP:054

SOURCE: Educational Institute of the American Hotel & Motel Association (1999). *Lodging management program: Year one* (pp. 255-256). Lansing, MI: Author.

55. A

Garbage can attract pests and contaminate food. Garbage that is allowed to accumulate not only creates odors but also attracts pests that may contaminate a resort restaurant's food supply. Developing a program to dispose of waste is an important part of keeping the restaurant sanitary. The other alternatives do not address the issue of food safety.

SOURCE: OP:147

SOURCE: Ninemeier, J.D. (2000). *Management of food and beverage operations* (3rd ed.) [p. 268]. Weimar, TX: Culinary and Hospitality Industry Publications Services.

56. A

The guest's name and room number. Hotels or resorts that provide valet services, such as dry cleaning for guests, need to get information from the guest including a name and room number so the hotel employee can deliver the cleaned goods to the correct person in the correct room. The guest's home address and phone number, the folio reference code, and the arrival and departure dates are not necessary information to deliver the items. This information can be found in the hotel computer system if it is needed (e.g., lost, misplaced, or damaged items).

SOURCE: OP:132

SOURCE: Vallen, G.K., & Vallen, J.J. (2000). *Check-in: Check-out* (6th ed.) [pp. 262-264]. Upper Saddle River, NJ: Prentice Hall.

57. D

40. To determine the number of four-ounce servings, find the total ounces and divide by four (16 ounces/one pound x 10 pounds of beef = 160 ounces; 160 ounces ÷ 4 = 40). Therefore, 10 pounds of ground beef will yield 40 servings of four ounces each.

SOURCE: OP:097

SOURCE: Mill, R.C. (1998). *Restaurant management: Customers, operations, and employees* (pp. 196-197). Upper Saddle River, NJ: Prentice Hall.

58. C

Employees should always be thinking about safety. Employees should be concerned for their own safety as well as the safety of others at all times. Thinking about safety does not distract employees from their jobs—it enables them to perform jobs in a safe manner that reduces risk to themselves and the business. Taking shortcuts when learning a new skill can cause a safety hazard. Instructions and guidelines for employees may be verbal as well as written.

SOURCE: OP:007

SOURCE: RM LAP 2—Following Safety Precautions

59. B

Distraction. Point-of-sale fraud is any attempt to cheat a hotel gift shop out of money at the time of purchase. Distracting the cashier is often part of this type of fraud. For example, one customer may distract the cashier while another steals cash from the register. In other situations, customers purposely disrupt the employee's concentration on the sales transaction by talking a lot. Aggression, silence, and nervousness are characteristics of some difficult customers, but not all people with these characteristics are dishonest.

SOURCE: OP:013

SOURCE: RM LAP 4—Security Precautions

60. A

Continuous. A continuous production process turns out products without stopping. Large quantities of hotel supply products that are in constant demand often are produced by the continuous production process. This process is usually automated. Soft drinks and cigarettes are examples of the kinds of products that are made by the continuous production process. The intermittent production process periodically stops and then restarts. Batch production is the production of items in specific amounts, or batches. Unit production is the production of one item at a time or items in small quantities. Batch and unit are types of intermittent production processes.

SOURCE: OP:017

SOURCE: BA LAP 1—Nature of Production

61. A

Meeting project deadlines. Hotel chain employees need to accomplish as much as possible while they are on the job rather than just put in their hours. One way they can manage their work in order to control expenses is to meet deadlines so they don't hold up coworkers' projects or disappoint customers. Holding up coworkers might cost the hotel chain additional money for wages and time involved, while disappointing customers might result in lost sales. Arriving on time, following leave procedures, and staying until closing are ways that employees can help to control expenses by managing their time.

SOURCE: OP:025

SOURCE: MN LAP 56—Employee Role in Expense Control

62. D

Saves money. All types of maintenance are costly; however, preventing breakdowns usually saves a motel money. Once equipment breaks down, a motel must not only pay for repairs but also absorb the costs of downtime and lost production. Preventing problems usually is less costly than dealing with emergency repairs. Occupying staff, reducing overtime, or increasing sales are not purposes of preventive maintenance.

SOURCE: OP:032

SOURCE: Berman, B., & Evans, J.R. (2004). *Retail management: A strategic approach* (9th ed.) [pp. 318-320]. Upper Saddle River, NJ: Prentice Hall.

63. D
Brainstorming. Brainstorming is a creative thinking technique that involves the identification of as many different ideas as possible during a certain time frame. Brainstorming is used most often in a group setting in order to generate several ideas to help solve a problem. Role-playing is the process of assuming roles and acting through a given situation. Although the group thought of ideas, they did not act them out. Experimenting is the act of testing or trying out a proposed idea or procedure. The group did not try out any of the ideas. Mental exercise, such as meditation, is the act of contemplating, reflecting, or thinking over.
SOURCE: PD:012
SOURCE: PD LAP 2—Creativity
64. D
Occupational Outlook Handbook. This publication is available in most libraries and provides up-to-date information about the number of openings, advancement potential, and pay rates for a wide range of careers. It is revised regularly by the U.S. Department of Labor based on current job statistics. Career centers and school guidance offices are helpful sources of information for people who are still in school or ready to graduate. Temporary jobs can provide experience but are limited in scope and probably would not be helpful to people who are currently employed.
SOURCE: PD:022
SOURCE: Kimbrell, G., & Vineyard, B.S. (1998). *Succeeding in the world of work: Teacher's wraparound edition* (6th ed.) [pp. 52-53]. New York: Glencoe/McGraw-Hill.
65. A
True, valuable business contacts can be made at organization/association functions. Many members of organizations/associations consider the expanded network of business contacts a valuable asset. Association with other community/professional leaders can increase the individual member's prestige and credibility.
SOURCE: PD:036
SOURCE: CD LAP 1—Trade Associations/Professional Organizations
66. A
Jackson is looking for a new job and asks his friends and relatives if they know of any openings. Networking is the process of exchanging information with others for the purpose of professional or business development and/or advancement. When Jackson discusses new job opportunities with others, he is engaging in networking. Surfing the web, attending a book discussion group, and discussing a class with a neighbor are not examples of networking.
SOURCE: PD:037
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 114-116). Woodland Hills, CA: Glencoe/McGraw-Hill.
67. D
Obtain further education and certification. Trade or professional organizations consist of individuals or groups that work within a particular industry. Benefits of belonging to a professional organization include networking opportunities, the establishment of consistent industry standards, trade shows, and venues for members to further their education (e.g., seminars, workshops, classes, certification) within the industry. Continuing education programs can help people keep up with trends associated with their industry. The availability of government funding is dependent on each government's resources and guidelines. Therefore, it cannot be assumed that all governments provide financial support to trade organizations. Joining a professional organization does not necessarily improve or increase employee productivity. Joining a trade organization might help industry members learn about the use of promotion, but it does not necessarily develop the materials or programs for them.
SOURCE: PD:061
SOURCE: Kaser, K., & Freeman, J.T. (2002). *Hospitality marketing* (pp. 294-295). Mason, OH: South-Western.

68. C

Confuses customers. A hospitality business that deliberately tries to confuse customers about the price of goods and services may be behaving unethically. Some pricing structures may be complex, which makes them difficult for customers to understand. As a result, customers usually are unable to figure out how to get a lower price and end up spending more than they should. This practice is considered unethical because customers don't have a fair chance to get the best price. Most pricing tactics are intended to be competitive. It is also common for businesses to advertise discounts and offer rebates. These tactics are not unethical.

SOURCE: PI:015

SOURCE: Churchill, G.A., Jr., & Peter, J.P. (1998). *Marketing: Creating value for customers* (2nd ed.) [pp. 327-328]. Boston: Irwin/McGraw-Hill.

69. B

Economic conditions. High employment and an optimistic outlook are characteristic of good economic conditions. When economic conditions are good, selling prices will tend to increase. Competition, government regulation, and supply and demand are other external factors that affect selling prices.

SOURCE: PI:002

SOURCE: PI LAP 3—Factors Affecting Selling Price

70. B

Product managing. Product management involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities and includes all activities from the time of a product's conception to the time of its elimination. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Positioning is a product-mix strategy in which a business creates a certain image or impression of a product in the minds of consumers. Concept testing is exploring the concept, or idea, for a product in order to obtain feedback.

SOURCE: PM:001

SOURCE: PP LAP 5—Product/Service Planning

71. C

Improving performance. Advances in technology that have allowed for the development of new materials and operating techniques are helping hospitality businesses to improve the performance of their products. By improving existing products, businesses are able to keep them on the market and extend their life cycle. Businesses have found that it is usually less expensive to update existing products than to develop entirely new products. Advances in technology are allowing businesses to do this. Advances in technology do not help businesses to keep existing products on the market by minimizing inventory, attracting attention, or demonstrating creativity.

SOURCE: PM:039

SOURCE: Zikmund, W.G., & d'Amico, M. (1999). *Marketing* (6th ed.) [p. 317]. Cincinnati: South-Western College.

72. A

Screen the possibilities. Hotel supply businesses often generate many ideas, but all of them are not realistic or possible. To find the best idea, businesses often bring together groups of employees to screen the many product possibilities. The employees analyze the ideas and consider whether they are appropriate for the business and the business's current product mix. At this point, some ideas will be rejected as too risky or not profitable. Once ideas are accepted and finalized, groups of employees might organize production, review marketing techniques, and arrange distribution.

SOURCE: PM:129

SOURCE: Zikmund, W., & d'Amico, M. (2001). *Marketing: Creating and keeping customers in an e-commerce world* (7th ed.) [pp. 286-288]. Mason, OH: South-Western.

73. B

Milk. Many dairy products are not graded. However, milk is graded for bacteria count, appearance, odor, and taste. Its grades are A for highest quality, and B for lower quality. Cheese, butter, and cream are examples of dairy products that are not graded.

SOURCE: PM:019

SOURCE: PM LAP 8—Grades and Standards

74. C

Trading-up. Trading-up takes place when a resort gift shop decides to add higher priced products or product lines to its product mix. Expansion occurs when a shop adds product items or product lines. Contraction takes place when product items or product lines are deleted from the product mix. Making changes in the company's products or its product lines is alteration.

SOURCE: PM:003

SOURCE: PP LAP 3—Product Mix

75. B

MNO Corporation owns a chain of upscale hotels and opens a chain of economy motels. A product line is a group of related product items. A product line extension occurs when the company adds a new product to the existing product line. A corporation that owns a chain of upscale hotels and then opens a chain of economy motels is extending its product line by providing similar products that have different features and benefits. An inn that remodels a swimming pool and adds a sauna is making improvements to the property rather than extending the product line. Implementing wireless technology is an example of an amenity rather than a product line extension. Hiring additional staff is a human resource function.

SOURCE: PM:083

SOURCE: Zikmund, W., & d'Amico, M. (2001). *Marketing: Creating and keeping customers in an e-commerce world* (7th ed.) [p. 308]. Mason, OH: South-Western.

76. C

Satisfy all of the customer's needs with one purchase. Product bundling is the practice of putting together a number of goods/services to create an attractive one-price package for consumers. By offering a number of goods/services for one price, hospitality businesses can satisfy all of their customers' needs and prevent them from taking their business elsewhere. The cost of a product bundle is usually less than the cost of purchasing all of the components separately. Businesses do not use product bundling to urge customers to tell their friends or increase the cost of production.

SOURCE: PM:041

SOURCE: Churchill, G.A., Jr., & Peter, J.P. (1998). *Marketing: Creating value for customers* (2nd ed.) [pp. 351-352]. Boston: Irwin/McGraw-Hill.

77. C

Understand customer needs better than the competition. Before a product is developed, hospitality businesses must conduct an extensive analysis to know what the customers want and need. Once marketers understand customer needs and how the competition is meeting or not meeting these needs, businesses can implement strategies to emphasize product uniqueness in relation to the competition. A marketing plan is not developed until a customer needs and competition analysis has been conducted. Marketers work to create brand awareness for a product within its target market. Line extensions are new products in a specific product category. Businesses should understand customer needs before they develop line extensions.

SOURCE: PM:042

SOURCE: Kotler, P., & Armstrong, G. (1999). *Principles of marketing* (8th ed.) [pp. 220-221]. Upper Saddle River, NJ: Prentice Hall.

78. B

A good brand name creates an appealing image. A brand name should create images that are appealing and desirable to consumers. The name should be pleasant and make people want to buy the product. A good brand name should be distinctive rather than common. Since brief names allow more space on billboards or packages, they are more graphically pleasing than long names. A firm may not use a brand name that belongs to another firm unless it has permission and/or has paid a licensing fee.

SOURCE: PM:021

SOURCE: PM LAP 6—It's a Brand, Brand, Brand World

79. B

Rate of stock turnover. Sales of sunscreen should increase throughout the fall and winter seasons when resort guests are skiing so the gift shop should allocate more shelf space to those items. Sunscreen products are not large items so the physical size of the product would not be a primary consideration. The sunscreen product line would not require a large amount of space. Price of the item is not a factor involved in allocating shelf space for sunscreen.

SOURCE: PM:012

SOURCE: Berman, B., & Evans, J.R. (1998). *Retail management: A strategic approach* (7th ed.) [pp. 560-565]. Upper Saddle River, NJ: Prentice Hall.

80. C

Is becoming. A vision statement defines the direction that the hotel chain wants to take in the future. In other words, it sets the stage for what it wants to become. This is opposed to what it is currently doing (or should be doing), which is summarized in the mission statement it developed when it opened its doors. Reviewing the chain's past triumphs and failures might be helpful in developing a vision statement, but the statement itself is based on what the chain is becoming. Obviously, there is a lot to learn about branding from the competition, but this information is not part of a vision statement.

SOURCE: PM:126

SOURCE: PM LAP 10—Building Your Business's Brand

81. B

Corporate. Corporate promotion is another term for institutional promotion; the goal of corporate promotion is to create a certain image in the eyes of consumers. The convention hotel's sponsorship of a free cholesterol test gives the public the idea that the business is concerned with the welfare of the community. Primary and secondary promotion are forms of product promotion, which is concerned with selling a good or service.

SOURCE: PR:002

SOURCE: PR LAP 4—Know Your Options (Types of Promotion)

82. D

You must be young and beautiful to be loved. Sexist advertising can be aimed at men or at women and suggests that a person is an object or that there is something wrong with a person who is less than the ideal portrayed in the ad. Sexist advertising is usually considered to be unethical. While some sexist ads promise to make you attractive to the opposite sex, this is not the message that makes them sexist.

SOURCE: PR:099

SOURCE: Jacobsen, M.F., & Mazur, L.A. (n.d.). *Sexism and sexuality in advertising*. Retrieved September 12, 2006, from <http://www.personal.kent.edu/~glhanson/readings/advertising/womeninads.htm>

83. C

Shoppers' guide. Shoppers' guides are newspapers that are composed mainly of advertising. They are distributed to area customers free of charge. Radio and television are types of broadcast media. A participation show is broadcast advertising in which several different advertisers buy commercial time within the same program.

SOURCE: PR:007

SOURCE: PR LAP 3—Ad-quipping Your Business

84. D

Logotype. The design, emblem, symbol, or combination of these which is used to identify a motel is the logotype. The copy is the message of an advertisement. The headline is used to attract attention and appears in bold type before the copy. White space is the blank space of an advertisement.

SOURCE: PR:014

SOURCE: PR LAP 7—Parts of Print Ads

85. B

An SRDS directory. Standard Rate and Data Service (SRDS) publishes the Direct Marketing List Source directory. This classic directory is available in most libraries. The Thomas Register is a listing of manufacturing companies and their products. The Yellow Pages may or may not list mailing-list companies but will not categorize their available lists. The postal service will assist with mailings but does not provide mailing lists.

SOURCE: PR:089

SOURCE: Gordon, K.T. (1999, November). *Hit list: No-fail direct mail*. Retrieved October 18, 2005, from http://www.entrepreneur.com/Magazines/MA_SegArticle/0,1539,231267—1-,00.html

86. A

Visual merchandising. Visual merchandising, or display, is a promotional activity that should be coordinated with all other promotional activities. A golf resort pro shop that is advertising a special sales event should coordinate advertising the event with the display of merchandise in the store. Advertising the special sales event will bring customers into the pro shop, and the visual merchandising will remind them why they are there. If the merchandise being advertised is not on display, sales might be lost. Specification buying is buying merchandise that is made to certain specifications. Comparison shopping is the act of visiting other stores to learn what competing stores are selling and the prices they charge. Stores set prices rather than forecast, or predict, them.

SOURCE: PR:076

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [pp. 302-304]. Woodland Hills, CA: Glencoe/McGraw-Hill.

87. A

To increase sales. All hotel supply businesses compete for scarce customer dollars. Most businesses strive to make more sales than their competitors. Improving their existing products to make them more competitive with competitors' products is one way they can do that. Improving products may or may not justify research efforts, but justifying research is not a purpose of improving products. Improving products would not create jobs or enlarge product lines since no new products are being added.

SOURCE: SE:017

SOURCE: SE LAP 117—Selling

88. A

Product knowledge. Hotel supply salespeople need to have a thorough knowledge of their products in order to sell them successfully and provide good customer service. Salespeople need to know how their products operate, what their capabilities and limitations are, and how they should be used. Then, they need to be able to translate this information into terms that will benefit their customers and help them buy the products that best meet their needs. When salespeople understand their products and sell the products that customers want, they often increase sales. Not all salespeople need technical backgrounds, although they do need training about their specific products. Salespeople who have dominant personalities may be too pushy for some customers. Salespeople who have carefree attitudes may not take their jobs seriously.

SOURCE: SE:076

SOURCE: Futrell, C.M. (1999). *Fundamentals of selling: Customers for life* (6th ed.) [pp. 414-416]. Boston: Irwin/McGraw-Hill.

89. D

Sherman Act. This law stipulates that prices must be set by each manufacturer, not in conjunction with competitors. The Clayton Act keeps a company from making the purchase of one of its products depend upon the purchases of others. The Taft-Hartley Act is designed to provide a balance between labor and management. The Robinson-Patman Act forbids companies from discriminating in the prices or services offered to competing customers.

SOURCE: SE:932

SOURCE: SE LAP 121—Selling Policies

90. D

When Mary's friends ask her how much the resort shop she works for marks up its clothing items, she does not divulge that information. Mary is demonstrating ethical responsibility to the company by protecting confidential information. When Mitch uses facts that can be substantiated to compare his company's product to another, he is showing ethical responsibility to the competition. Both the examples of the recycling proceeds and the sponsorship of a child at Christmas are benefits to the community and demonstrate ethical responsibility towards its citizens.

SOURCE: SE:106

SOURCE: Ingram, T.N., LaForge, R.W., Avila, R.A., Schwepker, C.H., & Williams, M.R. (2001). *Professional selling: A trust-based approach* (p. 72). Mason, OH: South-Western.

91. D

Tying arrangements. A tying arrangement is an illegal agreement requiring a customer to buy other products in order to obtain desired goods and services. An example of a tying arrangement is a salesperson's requiring a hotel to buy the company's copy paper and toner in order to obtain the desired copier machine. The copy paper and toner are the products tied to the main product. Noncompete clauses in a salesperson's contract are legal in certain situations. Executive contracts and competitive bids are legal.

SOURCE: SE:108

SOURCE: Jennings, M.M. (2000). *Business: Its legal, ethical and global environment* (5th ed.) [pp. 545-546]. Cincinnati: West Legal Studies in Business, South-Western College Publishing.

92. A

True, customers can provide information about product usage and performance. Salespeople usually have more product information than customers. However, customers who have used a hospitality product can tell you what they liked best about it and whether it measured up to their expectations. In fact, these customers may provide a more objective, fair view than another salesperson.

SOURCE: SE:062

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [p. 216]. Woodland Hills, CA: Glencoe/McGraw-Hill.

93. D

Allowing customers to answer their own objections. In the inquiry method of handling objections, the salesperson for the golf resort pro shop asks questions of customers to enable the customers to answer their own objections. This method also allows the salesperson to learn more about what features and benefits the customers want in the product. The point-counterpoint method agrees on a valid point and then offers the customer a superior point. The toss-it-back method turns the customer's objection into a valid reason for buying. The yes, but . . . method acknowledges the objection tactfully and answers it courteously.

SOURCE: SE:874

SOURCE: SE LAP 100—Converting Objections

94. B

Close. The desired agreement means that the customer makes a decision to buy. The close can occur at any point during the sales presentation. The sales presentation is that part of the selling process in which the hotel supply salesperson shows the customer the benefits of the product features. Product demonstration is the portion of the sales presentation during which the salesperson shows the product features. The sales talk is that portion of the sales presentation in which the salesperson explains the product features and customer benefits.

SOURCE: SE:895

SOURCE: SE LAP 107—Closing Sales

95. C

Describe previous successes. At the beginning of a sales presentation to a group of buyers for a hotel chain, it is important for salespeople to establish their credibility and the credibility of the company they represent. One way to do this is for salespeople to describe the company's previous successes as well as their own successes in sales. This information lets the group know that the salesperson and company are qualified, have the necessary experience, and are successful. Establishing credibility at the beginning of the presentation also encourages the group to pay attention. It is important to make a proper introduction at the beginning of the presentation, but that does not establish credibility. A salesperson might summarize major features at the end of the presentation. A salesperson would explain substitute products only if the originally requested products are unavailable.

SOURCE: SE:073

SOURCE: Futrell, C.M. (1999). *Fundamentals of selling: Customers for life* (6th ed.) [pp. 268-271]. Boston: Irwin/McGraw-Hill.

96. D

Check the spelling of the guest's name and the reservation date. It is possible that the reservation has been misfiled because the name or the date is in error. The mistake could be the fault of the guest, a travel agency, or the hotel; but the situation should be handled with great care to prevent a bad situation from getting worse. Every effort should be made to register the guest or to find comparable accommodations for the guest at another facility. The alternatives are actions that might follow rechecking the reservation records.

SOURCE: SE:226

SOURCE: Vallen, G.K., & Vallen, J.J. (2000). *Check-in: Check-out* (6th ed.) [pp. 239-240]. Upper Saddle River, NJ: Prentice Hall.

97. D

Equal. Hotel gift shops generally have a standard opening fund balance amount so that cashiers can make change for customers. This amount is established by management personnel. The cashier must always count the currency and coins in the cash drawer at the beginning of the day to make sure that the total amount that is in the drawer is equal to the amount that management has designated for the opening change fund. If there is more money in the drawer, it is considered "over." If there is less money in the drawer than required, it is considered "short." Current is not a term widely used to describe the status of the opening change fund.

SOURCE: SE:157

SOURCE: Stull, W.A. (1999). *Marketing and essential math skills: Teacher's edition* (pp. 129, 131). Cincinnati: South-Western Educational.

98. C

Waiting lounges and amenities. Many hospitality businesses have found that it is effective to offer special services free of charge to valued customers in order to keep those customers. For example, some airlines maintain special departure lounges at airports for business and first-class passengers. These waiting areas offer amenities such as computer access and drink and beverage service. Some hotels offer their preferred customers special floors that have lounge areas that provide complimentary beverages, snacks, and other unique amenities. Businesses offer special services in order to have a competitive advantage. Overnight shipping and handling, laundry and dry cleaning, and personal health and beauty care are types of regular services that businesses sell to customers.

SOURCE: SE:250

SOURCE: Lovelock, C., & Wright, L. (1999). *Principles of service marketing and management* (pp. 186-187). Upper Saddle River, NJ: Prentice Hall.

99. B

March 16. The shorter the length of time between when a room occupancy forecast is prepared and when it is used, the more accurate it is because information about cancellations, reservations, and so forth is up-to-date. With each passing day, the figures become less reliable and may lead to problems with overbooking. By June 13th, three months will have passed, and the property will not have an accurate assessment of the rooms available for sale.

SOURCE: SE:281

SOURCE: Vallen, G.K., & Vallen, J.J. (2000). *Check-in: Check-out* (6th ed.) [p. 183]. Upper Saddle River, NJ: Prentice Hall.

100. B

Number of orders for durable goods. There are a number of economic indicators that are used to evaluate the state of the economy. They include the number of orders for durable goods, the gross domestic product, industrial production levels, rate of inflation, number of new jobs, and number of housing starts. The level of government regulation is not tied to the economy's health. Changes created by technology may contribute to the health of the economy but do not serve as a measure. The amount of indirect competition is not a factor.

SOURCE: SM:011

SOURCE: MN LAP 43—External Planning Considerations