

1. Which of the following is an example of a tort associated with the invasion of privacy:
  - A. An employee receives serious injuries while improperly using a business's equipment.
  - B. A salesperson intentionally misrepresents the facts about a product's performance to get a sizable sale.
  - C. A business airs a television ad that makes statements that are designed to harm a competitor's reputation.
  - D. A company uses an athlete's photo without permission to imply the endorsement of the product.
2. As an audience member, which of the following should you do to encourage a speaker during an oral presentation?
  - A. Keep a straight face to communicate that you are serious
  - B. Refrain from asking questions
  - C. Smile
  - D. Quietly discuss the speech with the person sitting next to you
3. Roberto has just finished giving a presentation about global warming. An obviously irritated audience member stands and says that there is no evidence to prove global warming exists. Roberto calmly reads results from three scientific reports on its existence. Roberto's response is an example of
  - A. defending an idea objectively.
  - B. an effective conclusion.
  - C. a transition.
  - D. expressing a cultural barrier.
4. A primary use of flow charts in business documents or presentations is to
  - A. compare and contrast data.
  - B. identify trends.
  - C. explain relationships.
  - D. summarize numerical data.
5. When writing e-mail correspondence to customers and coworkers, it is important to remember that the messages
  - A. should be written in an entertaining, informal way.
  - B. are often seen by people other than the recipients.
  - C. should include graphics to hold the reader's interest.
  - D. are usually deleted as soon as they are read.
6. Jessica must develop an analytical report that assesses the product opportunities for 18- to 34-year-old sports enthusiasts in the greater Seattle area. What type of analytical report is Jessica writing?
  - A. Market analysis
  - B. Troubleshooting
  - C. Justification
  - D. Feasibility
7. In which component of a research report should the writer place the following statement:

"Based on our findings, we believe that it is imperative that PNJ Corporation make the necessary adjustments."

  - A. Assumptions
  - B. Analyses
  - C. Recommendations
  - D. Methodology
8. Which of the following is an example of a purpose statement in a research report:
  - A. In this study, we will examine the causes and effects of global warming.
  - B. In 2005, Sims Research surveyed 150,000 college professors.
  - C. The quality of soil may affect plant growth.
  - D. 2,500 residents reported power outages during the ice storm.
9. It is appropriate for a participant to ask questions during a staff meeting when
  - A. another participant is speaking.
  - B. s/he needs a point clarified.
  - C. the agenda is being distributed.
  - D. s/he does not agree with the speaker.

10. An example of how a company can reinforce its "environmentally friendly" image through its employees is by giving a(n)
- A. airline ticket to the employee who recycles the most over one year.
  - B. bonus of \$500 for finishing a project early.
  - C. extra day of vacation for riding a bike to work instead of driving.
  - D. luncheon for employees who turn in reports on time.
11. One form of technology that businesses use to personalize their ongoing communication with customers is
- A. opt-in e-mail.
  - B. banner ads.
  - C. infomercials.
  - D. radio messages.
12. A luxury spa has experienced decreased sales. The owner believes the reason is a rise in unemployment in the area. What external environmental factor does this represent?
- A. Sociocultural
  - B. Economic
  - C. Technological
  - D. Governmental
13. Which of the following is NOT a characteristic of private enterprise:
- A. The market is regulated by the government.
  - B. Supply and demand determine the exchange of goods.
  - C. A person's income depends mainly on the income their parents made.
  - D. Businesses use marketing and advertising to influence consumers.
14. Past sales records show that sales increased at a clothing store when a 10th rack of clothing was added to the store floor. However, when an 11th rack is added, sales increased by only 1%. In economics, this is explained by
- A. economies of scale.
  - B. the concept of competition.
  - C. the private enterprise system.
  - D. the law of diminishing returns.
15. Which of the following is NOT a fiscal cost that results from a high unemployment rate:
- A. Increase in crime rate recognized
  - B. Reduction in income taxes collected
  - C. Reduction in sales taxes collected
  - D. Increase in unemployment benefits paid
16. A developing country sets its currency to be the same value as the U.S. dollar. This is called a(n)
- A. pegged currency.
  - B. free-floating currency.
  - C. indirect exchange rate quotation.
  - D. direct exchange rate quotation.
17. To avoid the appearance of bribery, businesspeople should understand a culture's protocol regarding
- A. risk taking.
  - B. decision making.
  - C. gift giving.
  - D. ethnocentricity.
18. Which of the following scenarios represents a cultural issue associated with personal space for an American businessperson:
- A. A foreign business associate stands several feet away when talking to the person.
  - B. A European client greets the person with a kiss on each cheek.
  - C. The person is seated in a small room to meet with an international client.
  - D. The person is invited to dine in a busy restaurant following the meeting with an international client.
19. In some countries, pictures are used on packaging to identify contents. Since Gerbers' baby food products feature smiling, healthy babies, the company had to repackage its baby food when doing business in those countries. This problem resulted from issues associated with
- A. quotas.
  - B. culture.
  - C. segmentation methods.
  - D. trade agreements.

20. Which of the following represents an issue associated with perceptions of time that may occur when conducting business internationally:
- A. The business meetings were conducted in the mornings.
  - B. The business meetings were conducted on Tuesdays.
  - C. The business meetings were scheduled to accommodate participants in different time zones.
  - D. The business meetings started several hours later than originally scheduled.
21. Japanese companies tend to use a "hands off" approach in supervising employees, allowing them to help shape company policies. However, in many North American companies, the executive officers set policies and have active supervisory roles. This is a cultural difference related to
- A. management style.
  - B. creative thinking processes.
  - C. corporate needs.
  - D. business technology.
22. What issue is associated with product names that businesses often encounter when they start to sell their products internationally?
- A. Length of the product names
  - B. Translation issues
  - C. Pronunciation issues
  - D. Readability
23. Because Allison is meeting with a foreign businessperson whose culture places a great importance on modesty and a simple personal appearance, she should wear
- A. elaborate jewelry.
  - B. trendy clothing.
  - C. conservative apparel.
  - D. heavy makeup.
24. A businessperson offended a foreign client when s/he continuously made an insulting gesture. As a result, the client severed ties with the businessperson's company. This situation could have been avoided if the businessperson had
- A. taken the time to learn about the client's culture before the meeting.
  - B. asked the client why s/he was upset during the meeting.
  - C. made an effort to learn the country's language before the meeting.
  - D. sent a letter of apology to the country's ambassador after the meeting.
25. Which of the following is an example of an employee exhibiting self-confidence:
- A. Jane believes that she can respond to unknown circumstances in a positive, calm way.
  - B. Ted is nervous about making his presentation because he forgot to bring his note cards.
  - C. Lindsey is embarrassed because her supervisor asked a question that she could not answer.
  - D. Sam tries very hard to do his job well but becomes frustrated when he makes a small mistake.
26. Cameron said to his manager, "The order didn't ship because Sam didn't tell me that we didn't have enough items in stock." What is Cameron doing?
- A. Blaming another person for a communication breakdown
  - B. Acknowledging that he failed to follow through with the order
  - C. Stating the facts on Sam's behalf
  - D. Responding to inappropriate remarks
27. After Caroline told her manager about the pricing mistake she made on a purchase order, her manager said, "This does present a problem, but we can work it out. Thanks for letting me know right away." Because Caroline accepted responsibility for her mistake, her supervisor is likely to
- A. recommend Caroline for a promotion.
  - B. reprimand Caroline for having a bad attitude.
  - C. respect Caroline for her honesty.
  - D. require Caroline to pay the company for the mistake.

28. As the assistant purchasing manager of a large company, Hannah juggles many workplace commitments. Last week, Hannah had several meetings with vendors, and didn't leave herself enough time to finish the weekly inventory report for her manager—a task that she really doesn't enjoy doing. Because the report was late, Hannah's manager was annoyed with her. What barrier prevented Hannah from effectively managing her workplace commitments?
- A. Cultural awareness
  - B. Competence
  - C. Self-esteem
  - D. Procrastination
29. When having a business conversation with a person who has some difficulty understanding English, it is important to
- A. speak louder than you normally would.
  - B. speak slower than you normally would.
  - C. ask to speak to someone else in the company.
  - D. not discuss important business.
30. Cameron, a high school student, is giving a speech to the school board. He wants to persuade them to begin a recycling program for the school district. When a board member says the program will cost too much money, Cameron displays a chart proving the recycling program will make money for the school in five years. Cameron's chart has
- A. backed up his point with an expert testimonial.
  - B. connected emotionally with his audience.
  - C. eliminated a competing alternative.
  - D. proven he has cultural sensitivity.
31. For several months, June has felt very tired at work. She has a hard time focusing on her job, is often irritated at her coworkers, and has turned in several late assignments. At home, June feels considerably better. June is experiencing
- A. employee stress.
  - B. employee burnout.
  - C. employee turnover.
  - D. organizational change.
32. To improve the quality of its products and its business processes, a company will install a single new computer system that will replace the systems currently used across the company. Every aspect of this change is handled by representatives from the following departments: manufacturing, accounting, quality control, finance, and IT. This is an example of a
- A. standing committee.
  - B. quality circle.
  - C. project team.
  - D. group.
33. Although Anna works in a different department than Ryan, their job responsibilities overlap. Anna and Ryan often talk about the mutually job-related problems, and they share ideas about how they can improve situations in ways that will benefit not only them, but the company in general. By sharing information and being objective, Anna and Ryan are
- A. improving their chances of receiving promotions.
  - B. making suggestions to improve the company's finances.
  - C. building collaborative working relationships.
  - D. developing a positive, relaxed work culture.
34. Every year since she was born, Sophia's grandparents invested \$100 on her birthday. Sophia is now 18 and the investment has grown large enough to pay for most of her college expenses. Her grandparents explain that this is because her money has grown in two ways: by earning interest, and then by earning interest on that interest. This is an example of
- A. simple interest.
  - B. compound interest.
  - C. present value.
  - D. inflation.

35. When Jane received her first paycheck from her part-time job, she was surprised to see the amount was much less than her \$8.00 per hour pay rate multiplied by the number of hours she worked. Jane had not planned on \_\_\_\_\_ tax being taken out of her paycheck.
- A. income
  - B. property
  - C. sales
  - D. excise
36. Sheila pays the minimum payment shown on her credit card bill each month. For the remaining amount on the bill she will be charged a(n)
- A. annual fee.
  - B. annual percentage rate.
  - C. late fee.
  - D. overdraft fee.
37. What activity does accounting software help businesses do?
- A. Create virtual situations
  - B. Place orders for raw materials
  - C. Create and play AV media
  - D. Track credit transactions
38. Why do some governments require businesses to use specific accounting methods?
- A. To ensure that the businesses are complying with intellectual property laws
  - B. To provide external sources with accurate financial information
  - C. To control the ways in which businesses develop credit policies
  - D. To monitor how businesses establish their sales goals and budgets
39. Joseph is the vice president of finance for a large corporation. Recently, he told his sister to dump her stock in the company because it is about to declare bankruptcy. In some countries, Joseph could go to prison for breaking laws pertaining to
- A. insider trading.
  - B. embezzlement.
  - C. money laundering.
  - D. bribery.
40. Colleen doesn't like Reggie's political views, so she gives him a three percent pay increase instead of a five percent increase. This is an example of unethical behavior in relation to \_\_\_\_\_ management.
- A. business-information
  - B. human-resources
  - C. capital-assets
  - D. financial-services
41. What is the essential component for effective knowledge management in business?
- A. Computer access
  - B. Communication
  - C. Short-term goals
  - D. Outputs
42. Zoe noticed that her coworker Tom has been performing a work activity incorrectly. Zoe hasn't corrected Tom because she wants her manager to think she is more competent than Tom. Can Zoe's behavior negatively impact her employer?
- A. Yes. Tom's errors could be costly to the company.
  - B. Yes. Zoe is violating a procedural law.
  - C. No. Zoe is not a manager and should not train Tom.
  - D. No. Zoe knows that Tom's errors do not affect customer relationships.
43. Katrina is using a special software program to develop a business chart that shows the employees' expertise and skills and how they access different types of information throughout the organization. What type of software is Katrina using to document the information?
- A. Intranet
  - B. Knowledge mapping
  - C. Tactical production
  - D. Accounting
44. Which of the following is a form of web-based technology that business professionals use to share their expertise and to solve problems on an ongoing basis:
- A. Autoresponders
  - B. Analog receptors
  - C. Online communities
  - D. Security devices

45. How does the fragmentation of processes help to protect a company's trade secret?
- A. Employees' knowledge is limited to a specific part of the process.
  - B. It replaces the need to obtain a copyright for intellectual property.
  - C. The company will not need to monitor any part of the process.
  - D. The need for non-compete agreements is eliminated.
46. Which of the following is an example of a trade secret:
- A. Customer list
  - B. Trade journal
  - C. Credit report
  - D. Legal document
47. A serious accident occurred on Putnam Chemical Company's production line. A Putnam employee questioned the employees who were working during the accident to gather information about the situation. The company plans to use the gathered knowledge to determine the cause of the accident and to develop an action plan to prevent similar problems in the future. What technique did the company use to capture knowledge?
- A. Critical incident interview
  - B. Brainstorming survey
  - C. Creative problem solving
  - D. Employee performance review
48. After several failed attempts to obtain product information from Payton Manufacturing, Mr. Jones placed a \$150,000 order with Morgan Industries. Why did Payton lose the large order?
- A. Its employees were not properly trained.
  - B. Its employees lacked concern about the environment.
  - C. Its employees were unresponsive.
  - D. Its employees did not have access to current technology.
49. What is an important question that all businesses should answer about their ethical behavior in managing their customers' information?
- A. How do we obtain information about our customers in ways that do not violate their privacy?
  - B. What information do we need to obtain about our customers to determine their ability to pay?
  - C. What research method will provide the most comprehensive results about our competitors' activities?
  - D. Where can we obtain general demographic information about untapped market segments?
50. What part of the URL <http://maps.google.com/maps?hl=en&tab=wl> do the letters http represent?
- A. Scheme
  - B. Host
  - C. Path
  - D. Query string
51. Which of the following is an example of employees using groupware computer applications:
- A. Craig, Tessa, and Lily use presentation software to guide a group discussion about their research project.
  - B. Kelli, Juan, and Phil can access and make changes to the company production schedule from their home computers.
  - C. Dan, Kara, and Simon review their departments' budgets, which are saved as different computer-spreadsheets files.
  - D. Michelle, Jeff, and Aubrey use the same desktop-publishing program to create advertisements and brochures for their companies.
52. A primary use of project-management software is to
- A. define the project's purpose.
  - B. allocate project resources.
  - C. develop project standards.
  - D. evaluate the quality of deliverables.
53. A limitation to the use of project-management software is that it lacks the ability to
- A. calculate data.
  - B. make decisions.
  - C. track changes.
  - D. flag information.

54. Company B's management has determined that it must downsize. Three persons in the customer service department will lose their jobs. Which of the following records can management use to help them determine which employees to keep:
- A. Human resources records
  - B. Production records
  - C. R&D records
  - D. Inventory records
55. The Halifax Retail chain uses computer applications to track its inventory and order goods from its vendors. What form of technology is the company using to streamline its purchasing processes?
- A. Electronic data interchange (EDI)
  - B. Global positioning system (GPS)
  - C. Customer relationship management (CRM)
  - D. Territorial routing application (TRA)
56. What do many businesses need to do to operate legally?
- A. Purchase office equipment
  - B. Obtain required permits
  - C. Publish their codes of ethics
  - D. Analyze their strategies
57. A city in the southwestern region of the country requires community businesses to undergo health and safety inspections to determine if the businesses are complying with
- A. free-trade agreements.
  - B. local ordinances.
  - C. securities regulations.
  - D. consumer-protection laws.
58. Who is responsible for maintaining a safe work environment?
- A. External safety inspectors
  - B. Government legislators
  - C. Department managers
  - D. All employees
59. When prioritizing work, employees should place the most importance on work that involves
- A. tight deadlines.
  - B. routine activities.
  - C. interactive tasks.
  - D. interpersonal communication.
60. Which of the following work tasks must always be completed in designated sequential order:
- A. Heather checks e-mail, Paul orders supplies, and Leah develops a stock list.
  - B. Jack pulls stock, Mary packs the box, and Tim places the order on the truck.
  - C. Calvin conducts the research, Eva files the report, and Ben reads the instructions.
  - D. Eve calls on customers, Ted writes the order, and Lily prepares the presentation.
61. During what phase of the project life cycle does the project manager activate project controls?
- A. Execution
  - B. Planning
  - C. Definition
  - D. Closing
62. How can project managers monitor the project's quality of work and its current expenditures?
- A. Review past correspondence
  - B. Seek professional development
  - C. Conduct a project audit
  - D. Compare industry reports
63. Genie's evaluates its suppliers on a variety of factors. To continue working with Genie's, a company is required to score a minimum of 4.0 points on its supplier performance evaluation. Referring to the following chart, will Raving Rivets be kept as a supplier?

Supplier: Raving Rivets		
Category	Score (1-5)	Weight
On-time delivery	4	.2
Rivet quality	5	.5
Customer service	2	.3

- A. No, because Raving Rivets' score of 1.2 is under the minimum.
- B. No, because Raving Rivets' score of 3.9 is under the minimum.
- C. Yes, because Raving Rivets' score of 12.0 is above the minimum.
- D. Yes, because Raving Rivets' score of 39.0 is above the minimum.

64. What is needed to maintain collaborative relationships with suppliers?
- A. Complete disclosure of information
  - B. A comprehensive request for proposal
  - C. Different goals and objectives
  - D. Effective conflict-resolution skills
65. Although it placed an order three weeks ago, a flower shop determines that it needs to purchase an additional four cases of Model R28 glass flower vases for its flower arrangements. What type of order is the shop placing with its primary vase supplier?
- A. Reorder
  - B. Open order
  - C. Advance order
  - D. Backorder
66. Which of the following is an example of an item that most likely requires a retailer to place a special order with a manufacturer:
- A. A cell-phone charger for a popular smart phone
  - B. Windshield wipers for a 2008 Honda Accord
  - C. Blinds for a non-standard size window
  - D. A color-ink cartridge for a computer printer
67. Which of the following are maintenance supplies that a business is likely to keep on hand:
- A. Batteries, computers, and cleaning items
  - B. Trash bags, sanitizer, and light bulbs
  - C. Paper towels, pens, and sportswear
  - D. Mops, furniture, and conveyor belts
68. Silence is an effective negotiating technique to use with a vendor when a business wants the vendor to
- A. initiate a gridlock.
  - B. maintain its authority.
  - C. obtain leverage.
  - D. make a concession.
69. Which of the following is an example of a quality control method used in the workplace:
- A. An advertising manager corrects a copywriter's ad copy.
  - B. A factory production line makes 2,465 widgets per minute.
  - C. An accounts receivable employee submits a weekly report.
  - D. A human-resources manager completes paperwork for a new hire.
70. Luke is reviewing several internal and external reports to compare his company's sales and market share in relation to other companies in the industry. What type of business analysis is Luke conducting?
- A. Promotional
  - B. Competitive
  - C. Financial
  - D. Productivity
71. A business analysis indicates that the TWB Corporation could save \$125,675 a year in paper purchases if all its employees decreased photocopying activities by 15%. The analysis provides TWB with important information related to
- A. resale goods.
  - B. return on investment.
  - C. efficiency levels.
  - D. waste reduction.
72. Which of the following is an example of an extensive decision:
- A. Hiring a new department manager
  - B. Printing a document on yellow paper
  - C. Wearing a blue suit to a meeting
  - D. Booking an airline flight for a business trip
73. Maria's teacher says she has an aptitude for science. Which of the following may explain why Maria has an aptitude for science:
- A. She and her friends attend lectures at the science center each month.
  - B. Maria's father is a microbiologist.
  - C. She received a microscope for a gift last year.
  - D. Maria believes that it is important to protect the environment.
74. Kim is developing a list of friends, family, and acquaintances. Kim plans to contact the individuals on the list and ask them if they know of any job openings in their companies. What activity is Kim performing?
- A. Promoting
  - B. Networking
  - C. Advising
  - D. Forecasting



75. To perform his job, Andrew works a complex database program. Recently, a new version of the database program that he uses was released. The new program is more powerful, efficient, and user friendly. To learn how to use the program effectively, Andrew signed up to take a class at the community college. In this situation, Andrew is continuing his education so that he can
- A. update his technical skills.
  - B. change his career path.
  - C. ensure his employability.
  - D. obtain professional licensure.
76. What aspect of their employers' codes of conduct are employees violating when they regularly come into work late or leave early?
- A. Safety
  - B. Appearance
  - C. Harassment
  - D. Attendance
77. Patty Hollingsworth is the marketing manager for Burton Manufacturing. If the company uses a hierarchical organizational structure, who reports directly to Patty?
- A. Malcolm Jennings, Procurement Coordinator
  - B. Lucille Watson, Vice President of Sales and Marketing
  - C. Belinda Pickles, Employee-Relations Manager
  - D. Trent Simpson, Advertising Specialist
78. An organization's product goals often involve setting standards for
- A. the variety of its goods and services.
  - B. behavior in the workplace.
  - C. expenses and income.
  - D. the target market's expectations.
79. Based on the firm's mission statement, upper management established a variety of long-term goals to guide lower-level goal setting. What type of organizational goals has upper management set?
- A. Profit
  - B. Tactical
  - C. Strategic
  - D. Productivity
80. What do managers need to do to help employees understand their specific responsibilities in achieving the organization's goals?
- A. Collect information
  - B. Develop a mission statement
  - C. Create work subcultures
  - D. Communicate priorities
81. Which of the following is a true statement about a project charter:
- A. It serves as authorization to start the project.
  - B. It assesses the actual outcomes of the project.
  - C. It describes in detail the tasks to complete the project.
  - D. It can be modified by the project team members.
82. In which section of the statement of work (SOW) document would you find the following information:
- "AJB International will be responsible for collecting the research for the project, but will not interpret the results."
- A. Scope statement
  - B. Communication plan
  - C. Purpose statement
  - D. Goals and objectives
83. Trevor needs to determine the procedures that he needs to follow for a specific project work activity. Trevor can locate that information in the
- A. network diagram.
  - B. project's statement of work.
  - C. work breakdown structure dictionary.
  - D. production schedule.
84. During a weekly meeting, the project manager told the team, "All of you are doing a great job in meeting your deadlines. Just a few more weeks of hard work, and the project will be complete. Then, we will all go out to celebrate." What is the project manager doing?
- A. Offering a financial incentive
  - B. Expressing empathy
  - C. Measuring the team's goals
  - D. Motivating the team

85. What is the primary purpose of developing a post-implementation review during the closure phase of a project?
- A. To archive all project documentation
  - B. To document necessary changes for future projects
  - C. To formally release all resources from the project
  - D. To determine if the deliverables achieved project goals
86. What is the focus of quality assurance?
- A. Obtaining customer feedback about product features
  - B. Identifying defects in new products
  - C. Developing processes to prevent product defects
  - D. Taking steps to create better quality products
87. Six Sigma focuses on managing quality throughout the organization by focusing on
- A. creativity and innovation.
  - B. discipline and measurement.
  - C. customization and innovation.
  - D. accountability and creativity.
88. What activity helps businesses identify the various opportunities for continuous quality improvement?
- A. Monitoring data
  - B. Setting goals
  - C. Establishing budgets
  - D. Rationing resources
89. What step in the Plan-Do-Check-Act (PDCA) continuous-improvement technique involves analyzing the results of a small-scale change to determine if the change was effective?
- A. Do
  - B. Check
  - C. Act
  - D. Plan
90. Which of the following is a "checks and balances" system that often helps companies manage their business risks and monitor the integrity of their organizations:
- A. Ethics committee
  - B. Human-resources council
  - C. Retribution board
  - D. Executive commission
91. When a company uses computer software to assess the risk levels associated with alternative actions in a variety of business situations, it is conducting
- A. what-if planning.
  - B. product feasibility study.
  - C. top-down forecasting.
  - D. qualitative research.
92. When RWQ Corporation could not obtain insurance coverage to cover a specific type risk from commercial insurance companies, it formed an insurance company to provide coverage for the risk. This is an example of a company managing its risk through a(n)
- A. organic entity.
  - B. captive insurer.
  - C. generic provider.
  - D. lending institution.
93. If an accounting firm deliberately conceals information about a client's financial status, the government may charge the business with
- A. breach of contract.
  - B. expropriation.
  - C. obstruction of justice.
  - D. substantiation.
94. Which of the following should effective managerial planning do:
- A. Reduce uncertainty
  - B. Limit communication
  - C. Achieve goals
  - D. Provide a chain of command
95. The general purpose of managerial planning is to
- A. impact society.
  - B. provide direction.
  - C. create utility.
  - D. generate ideas.

96. What function of management involves developing a system for producing work?
- A. Supervising
  - B. Arranging
  - C. Organizing
  - D. Controlling
97. Which of the following is the management function that focuses on matching the appropriate person with the necessary skills for a specific job:
- A. Staffing
  - B. Interviewing
  - C. Coordinating
  - D. Leading
98. What is an important aspect of managerial directing?
- A. Developing long-term business objectives
  - B. Interviewing job applicants for open positions
  - C. Providing employees with instructions
  - D. Creating work systems for workplace teams
99. A manager monitors an employee as the employee is performing job-related tasks. This is an example of \_\_\_\_\_ managerial control.
- A. remedial
  - B. preventive
  - C. external
  - D. concurrent
100. Quarterly, each of the international vice presidents of Smith & Webber completes the company's scorecard and submits it to the president of the company. The scorecard tracks sales, profit, advertising expenses, and other key information. The scorecard is a tool for which of the following management functions:
- A. Directing
  - B. Planning
  - C. Control
  - D. Organizing

1. D

A company uses an athlete's photo without permission to imply the endorsement of the product. A tort is a wrongful action that harms another person or business. The invasion of privacy is a type of tort. For example, if a business uses a well-known athlete's image without his/her permission to imply that the athlete uses or endorses the product, the business has committed a tort related to the athlete's right to privacy. Misrepresenting facts is a tort related to fraud. A statement that harms an entity's reputation is a defamation tort. There is not enough information provided to determine if a tort has occurred in relation to the employee's injuries. For example, the employee may have knowingly operated the equipment incorrectly. A tort may exist if the business neglected to maintain the equipment or did not train the employee to use it correctly.

SOURCE: BL:069

SOURCE: McAdams, T., Neslund, N., & Neslund, K (2007). *Law, business, and society* (8<sup>th</sup> ed.) [pp. 253-254]. Boston: McGraw-Hill/Irwin.

2. C

Smile. A smile shows the speaker that you support and encourage him/her. It is a good idea to ask questions when asked. It shows interest in the topic. A straight face is difficult for a speaker to interpret. It may mean a person is upset, is daydreaming, or is seriously listening. Talking to others during a presentation is rude to the speaker and may cause him/her to lose his/her train of thought.

SOURCE: CO:082

SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10<sup>th</sup> ed.) [p. 439]. Boston: McGraw-Hill/Irwin.

3. A

Defending an idea objectively. Roberto is using facts to overcome an objection and defend his idea in a professional manner. A conclusion is the prepared ending of a presentation. Since Roberto had just finished his presentation, he had already delivered the conclusion. A transition occurs mid-speech to shift from one point to another smoothly. Cultural barriers to new ideas occur when a person allows his/her cultural background to affect his/her thinking. Roberto is trying to overcome a barrier to his presentation by using fact-based research.

SOURCE: CO:061

SOURCE: Thabet, Dia. (n.d.) *How to defend your idea without getting defensive*. Retrieved on January 31, 2011, from <http://ezinearticles.com/?How-to-Defend-Your-Idea-Without-Getting-Defensive&id=5460159>

4. C

Explain relationships. Graphic aids help to clarify, reinforce, and summarize information. Flow charts help explain relationships. For example, an organizational chart illustrates a business's chain of command. Flow charts may also show the ways in which sequential processes work, such as project management. Line graphs are often used to illustrate timelines and to identify trends. Bar charts are effective graphic aids to compare and contrast data. Tables are often used to summarize complex numerical data.

SOURCE: CO:087

SOURCE: Young, D.J. (2006). *Foundations of business communication: An integrative approach* (pp. 506-509). New York: McGraw-Hill/Irwin.

5. B

Are often seen by people other than the recipients. When writing e-mail messages to customers and coworkers, the correspondence should address various business issues; therefore, writers should develop the messages using a concise, friendly, and businesslike tone. If the writer uses language that is very casual, personal, or questionable, there is a risk of offending the recipient or others to whom the recipient forwards the message. Because many businesses have e-mail policies and can monitor the contents of e-mail messages going into and out of their companies, e-mail writers should take care not to send inappropriate messages. Business e-mail messages do not need to be entertaining or informal, nor do they need to include graphics. Many businesspeople save important e-mail messages and flag them for follow-up at a later time.

SOURCE: CO:090

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 183-186]. Upper Saddle River, NJ: Pearson Prentice Hall.

6. A

Market analysis. Analytical reports are documents that evaluate issues, opportunities, or problems. A market analysis is a type of analytical report that evaluates a particular market. A market, for example, might include a specific age range of a particular group who live in a specific geographic location. Troubleshooting reports address specific problems, such as a problem with a process. A justification report is a type of analytical report that evaluates the success or failure of a previous decision or course of action. A feasibility report summarizes the positive and negative consequences of taking a certain course of action.

SOURCE: CO:185

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 411-412]. Upper Saddle River, NJ: Pearson Prentice Hall.

7. C

Recommendations. The recommendations section is the last component of a research report and contains a proposed course of action (recommendation), which is based on the results or findings. The methodology section of the report outlines the research plan. It appears in the middle of the report and discusses the types of research tools used in the study and why they were selected. The analyses section of the report describes the findings based on the assumptions made and the methodology used to obtain the data.

SOURCE: CO:186

SOURCE: Walonick, D. (2005). *Elements of a research proposal and report*. Retrieved February 7, 2011, from <http://www.statpac.com/research-papers/research-proposal.htm>

8. A

In this study, we will examine the causes and effects of global warming. The purpose statement appears in a research report's introduction and summarizes the purpose of the report, such as the causes and effects of global warming. The background section of a research report provides pertinent information previously gathered by other researchers, such as the 2005 survey conducted by Sims Research. A hypothesis is a proposed explanation of a situation or event, such as how the quality of soil may affect the growth rate of a plant. Factual statements contain true data or information that can be verified, such as the number of reported power outages during a specific event or time period.

SOURCE: CO:186

SOURCE: Walonick, D. (2005). *Elements of a research proposal and report*. Retrieved February 7, 2011, from <http://www.statpac.com/research-papers/research-proposal.htm>

9. B

S/He needs a point clarified. When employees do not understand what the speaker has said, it is appropriate to raise their hand to ask for clarification; however, it is rude to interrupt another person while s/he is speaking. In many meetings, the leader will ask the participants if they have questions, and it would be appropriate to ask for clarification at that time. Asking questions due to differing opinions or when the agenda is being distributed may not be appropriate.

SOURCE: CO:063

SOURCE: Lussier, R.N. (2003). *Management fundamentals: Concepts, applications, skill development* (2nd ed.) [pp. 327-330]. Mason, OH: South-Western.

10. C

Extra day of vacation for riding a bike to work instead of driving. Biking reduces car pollution. When others see the company's employees riding their bikes, it reinforces the company's image as environmentally friendly. The company is encouraging this behavior by offering a reward. A bonus of \$500 for finishing a project early may be important to employees and effective in motivating them to work efficiently, but it is not seen by others outside the organization so it doesn't reinforce the company's image. In addition, finishing early is not an activity that is perceived as environmentally friendly. Although recycling does reinforce the "green" image, there are two problems with this response. First, those outside the company aren't likely to see employees recycling, so it won't boost the company's image. Secondly, airplanes pollute the environment, so the award is not in keeping with the company's green image. The luncheon may motivate employees to turn in reports in a timely manner, but nothing about this incentive or reward reinforces the company's environmentally friendly image.

SOURCE: CR:002

SOURCE: Inc.com. (n.d.). *Employee reward and recognition systems*. Retrieved January 31, 2011, from <http://www.inc.com/encyclopedia/employee-reward-and-recognition-systems.html>

11. A

Opt-in e-mail. Technology allows a business to track a customer's web page visits and purchasing habits, which helps the business develop a personal profile of the customer. This information helps the business develop product suggestions and customize sales promotions to offer the customer. These offers are often sent to the customers via opt-in e-mail or promotional messages that customers permit the business to send to them electronically. Banner ads, infomercials, and radio messages are forms of non-personal promotion.

SOURCE: CR:018

SOURCE: Bailor, C. (2004, December). *10 technologies that are reinventing the CRM industry*. Retrieved February 16, 2011, from <http://www.destinationcrm.com/Articles/Editorial/Magazine-Features/10-Technologies-That-Are-Reinventing-the-CRM-Industry-47288.aspx>

12. B

Economic. Economic trends, including unemployment, have an impact on business. The salon's sales are likely to decline in a time of high unemployment because fewer people have money to spend on luxury goods. Sociocultural factors include population changes, fashion trends, etc. If the business specialized in spa services that became unfashionable, it may see sales decline for sociocultural reasons. Technological factors deal with shifts in the type of technology available/used. Governmental factors are controlled by the government, such as changes in the tax rate or government regulations.

SOURCE: EC:105

SOURCE: MyStrategicPlan.com. (2008). *Internal and external analysis*. Retrieved January 20, 2011, from <http://mystrategicplan.com/strategic-planning-topics/internal-and-external-analysis.shtml>

13. C

A person's income depends mainly on the income their parents made. In a private enterprise economy, a person's skills are the main determinant of his/her income. Supply and demand determine the exchange of goods. For example, the higher the number of people who want to purchase Super Bowl tickets, the higher the price the NFL can charge for each ticket. Private enterprise is regulated by the government, but it is not controlled by the government. Regulated means that companies must adhere to guidelines and laws, such as the U.S. Department of Agriculture inspecting meat packing plants to ensure that products are safe for consumption. In private enterprise, businesses may use marketing to increase sales and cause consumers to become aware of product and services.

SOURCE: EC:009

SOURCE: Holmes, C. (1999-2010). *The five characteristics of free enterprise*. Retrieved January 20, 2011, from [http://www.ehow.com/list\\_5991303\\_five-characteristics-enterprise.html](http://www.ehow.com/list_5991303_five-characteristics-enterprise.html)

14. D

The law of diminishing returns. The law of diminishing returns states that when increasing amounts of one factor (clothing racks, in this case) are employed, holding all other factors constant, after some point, the resulting increase in output (sales, in this case) becomes smaller and smaller. In this scenario, this may be because more racks make the store crowded, and consumers had trouble viewing the merchandise. While the store has competitors, its decision to add racks of merchandise does not take competitors into consideration. While the store likely is operating in a private enterprise system, the declining sales increase caused by another clothing rack is not explained by that concept. Private enterprise simply means a business unit is established, owned, and operated by private individuals for profit. Economies of scale is the reduction in cost per unit resulting from increased production, realized through operational efficiencies. This scenario does not deal with the cost of the clothing.

SOURCE: EC:023

SOURCE: Johnson, P.M. (1994-2005). *Diminishing returns, law of*. Retrieved January 21, 2011, from [http://www.auburn.edu/~johnspm/gloss/diminishing\\_returns\\_law\\_of](http://www.auburn.edu/~johnspm/gloss/diminishing_returns_law_of)

15. A

Increase in crime rate recognized. While the crime rate often does increase in a time of unemployment, the crime rate is a social cost, not a fiscal cost. Income taxes will decrease during high unemployment because fewer people have incomes that can be taxed. Sales tax collections will decrease because people have less money to spend on goods that are taxed. Higher unemployment means more people will be collecting unemployment benefits from the government, resulting in higher fiscal costs.

SOURCE: EC:082

SOURCE: Tutor2u.net. (n.d.) *Economic costs of unemployment*. Retrieved on February 1, 2011, from [http://www.tutor2u.net/economics/content/topics/unemp/costs\\_of\\_unemp.htm](http://www.tutor2u.net/economics/content/topics/unemp/costs_of_unemp.htm)

16. A

Pegged currency. A pegged currency is set by a country's government to mirror another country's currency. This is often done by developing nations to give its currency stability. Free-floating currency is the opposite of pegged. Its value fluctuates based on supply and demand. In terms of U.S. dollars, an indirect quote is the number of U.S. dollars that one unit of a foreign currency could buy. In terms of U.S. dollars, a direct quote is the number of a foreign currency that one dollar could buy. For example, a direct quote for the units could be US \$1.50 = 1 Euro.

SOURCE: EC:100

SOURCE: Heakal, R. (2003, February 6). *Currency exchange: Floating rate vs. fixed rate*. Retrieved January 21, 2011, from <http://www.investopedia.com/articles/03/020603.asp>

17. C

Gift giving. Gift giving practices vary greatly among countries. In some countries, it is customary, or expected to give gifts in business situations. In other countries, many businesses limit or prohibit gift giving/receiving because it may be viewed as bribery, which is an illegal activity under certain circumstances. Decision making is choosing among alternatives. Risk taking is understanding and accepting the responsibility of not knowing the outcome of a course of action. Ethnocentricity is the belief that your own culture is naturally better than other cultures.

SOURCE: EC:130

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.) [p. 203]. Boston: McGraw-Hill/Irwin.

18. B

A European client greets the person with a kiss on each cheek. The concept of space and proximity differs among cultures. In countries such as the United States and Japan, people prefer to maintain distance from others during conversation. In these countries, maintaining space is a sign of respect for the other person. Kissing someone on the cheek requires close proximity, so the American businessperson may feel very uncomfortable, especially if s/he doesn't know the client well. It is not unusual for Americans to meet in small conference rooms to discuss business or for Americans to dine with clients after a meeting.

SOURCE: EC:130

SOURCE: Nicol, J. (n.d.). *Venezuela: Behavior*. Retrieved March 9, 2011, from <http://www.cyborlink.com/besite/venezuela.htm>

19. B

Culture. Culture refers to the customers, habits, and traditions of a particular group. To appeal to international markets, businesses often need to adapt their products to a specific country's cultural norms. The example is not an issue associated with quotas, segmentation methods, or trade agreements.

SOURCE: EC:131

SOURCE: Hartman, D. (2010, September 10). *Factors affecting product adaptation*. Retrieved March 8, 2011, from [http://www.ehow.com/list\\_6903948\\_factors-affecting-product-adaptation.html](http://www.ehow.com/list_6903948_factors-affecting-product-adaptation.html)

20. D

The business meetings started several hours later than originally scheduled. The concept of time is an important consideration when conducting business internationally. In some cultures punctuality is very important, so it is important to arrive at meetings on time or a few minutes early. In other cultures, time is less important or is viewed differently. In some countries, businesspeople will keep people waiting while they finish another activity, so that s/he can provide the visitor with his/her undivided attention. This action may appear rude to people in some cultures, while it is viewed as a courtesy in other cultures. Accommodating meeting participants in other time zones is a courtesy rather than an issue related to cultural differences. Holding meetings on specific days or at specific times of the day are not cultural issues related to time.

SOURCE: EC:132

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. 183-184]. Boston: McGraw-Hill/Irwin.

21. A

Management style. Business management styles vary by culture or country. When conducting business with foreign companies, it is helpful for businesspeople to learn about these differences, so they can understand and adapt to their management style. Innovation, business objectives or needs, and technology can affect a business's management style.

SOURCE: EC:133

SOURCE: World Business Culture. (n.d.). *Japanese management style*. Retrieved March 8, 2011, from <http://www.worldbusinessculture.com/Japanese-Management-Style.html>

22. B

Translation issues. Because some words are not easily translated into other languages, businesses must be careful when using an existing or selecting a new name for a product. By using an inappropriate name, a business might offend an international market segment. The meaning of the name is not an issue associated with pronunciation, readability, or the length of the product name.

SOURCE: EC:134

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.) [p. 200]. Boston: McGraw-Hill/Irwin.

23. C

Conservative apparel. Appropriate attire is an important consideration when doing business in another country. In some countries, it is inappropriate for a person to show bare shoulders or legs. Trendy clothing, elaborate jewelry, and heavy makeup do not convey a conservative appearance.

SOURCE: EC:134

SOURCE: Butler, P. (n.d.). *United Arab Emirates: Appearance*. Retrieved March 9, 2011, from <http://www.cyborlink.com/besite/uae.htm>



24. A

Taken the time to learn about the client's culture before the meeting. Because customs and gestures differ by country, businesspeople must understand and monitor their body language, when conducting business in other countries. Certain gestures may be friendly in some cultures and offensive or disrespectful in other cultures. If the businessperson had taken time to learn about the client's country and culture, s/he could have avoided making the offensive gesture altogether. There is not enough information provided to determine if the client expressed his/her discomfort—verbally or nonverbally—about the businessperson's offensive behavior during the meeting. Gestures are nonverbal behaviors rather than a verbal or language barrier. A letter of apology would not have prevented the businessperson from making the gesture in the first place. A letter of apology may have helped smooth things over with the client, but the letter should have been sent directly to the client rather than the country's ambassador.

SOURCE: EC:135

SOURCE: Butler, P. (n.d.). *India: Behavior*. Retrieved March 9, 2011, from <http://www.cyborlink.com/besite/india.htm>

25. A

Jane believes that she can respond to unknown circumstances in a positive, calm way. Self-confidence is a positive belief in your own talents, skills, and objectives. Because Jane believes that she can respond to unknown circumstances in a positive way, she is a self-confident person. Being nervous, being embarrassed, and being frustrated may indicate a lack of self-confidence.

SOURCE: EI:023

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 119). New York: Glencoe/McGraw-Hill.

26. A

Blaming another person for a communication breakdown. When you accept responsibility for your behavior, you are willing to accept the consequences of your actions. In Cameron's situation, he is blaming another person for a work-related mistake. While Sam may be partially responsible for not communicating the stock outage to Cameron, Cameron did not follow up on the order. If he had followed up on the order, he may have detected that there was a problem. Cameron is not acknowledging his responsibility for the problem, and he is not stating facts on Sam's behalf. Sam may have another view or opinion about the chain of events. There is not enough information provided to determine if Cameron's manager made an inappropriate remark.

SOURCE: EI:075

SOURCE: Ford, J. (2010, May 19). *How to take responsibility for your actions*. Retrieved January 28, 2011, from [http://www.ehow.com/how\\_4802685\\_responsibility-actions.html](http://www.ehow.com/how_4802685_responsibility-actions.html)

27. C

Respect Caroline for her honesty. Everyone makes mistakes from time to time, and the way that a person handles a mistake can affect the outcome. Caroline accepted responsibility for her mistake. Taking responsibility means admitting the wrongdoing and accepting the consequences for the mistake. When a person admits making a mistake, s/he is likely to gain the respect of others and gain trust. This is apparent in Caroline's situation. Caroline's manager acknowledged the problem and thanked Caroline for bringing it to his/her attention. In many situations, the sooner a mistake is acknowledged, the less severe the consequences. If Caroline had hidden the mistake, her manager may have been angry. Caroline is not exhibiting a bad attitude. There is not enough information provided to determine if her manager would consider recommending Caroline for a promotion. The manager is unlikely to ask Caroline to pay the company for making a mistake that can be worked out.

SOURCE: EI:075

SOURCE: Ford, J. (2010, May 19). *How to take responsibility for your actions*. Retrieved January 28, 2011, from [http://www.ehow.com/how\\_4802685\\_responsibility-actions.html](http://www.ehow.com/how_4802685_responsibility-actions.html)

28. D

Procrastination. Procrastination is putting off until tomorrow what could have been done today. One reason employees procrastinate is because they don't like doing certain tasks, so they put those tasks off until the last possible moment. All tasks—even those that are not enjoyable—are commitments that employees must manage to perform their jobs efficiently and to help the company achieve its goals. There is no indication that Hannah lacks competence, self-esteem, or cultural awareness.

SOURCE: EI:077

SOURCE: Time Management. (n.d.). *Manage your scheduling commitments—six effective guidelines to get things done*. Retrieved February 14, 2011, from <http://www.timemanagment.info/111/manage-your-time-scheduling-commitments-six-effective-guidelines-to-get-things-done/>

29. B

Speak slower than you normally would. This will help the person you're speaking with translate your words in his/her mind. Speaking loudly does not help with translating. Remember that someone from another country does not necessarily have a hearing problem. Show cultural sensitivity by patiently working with persons who are not native English speakers. A language barrier does not mean s/he is not the right person with whom to do business. Important international and domestic business partnerships happen every day between persons whose native languages are different. It is not possible or smart to avoid doing business with persons for whom English is a second language.

SOURCE: EI:033

SOURCE: Ethnic Harvest. (2008). *Ten steps toward cultural sensitivity*. Retrieved January 21, 2011, from <http://www.ethnicarvest.org/ideas/10-steps.htm>

30. C

Eliminated a competing alternative. The board member would prefer that the school not recycle. His/her reason is that it is too expensive. Cameron's chart shows that the reason is not valid, so the alternative of doing nothing can be thrown out. Connecting emotionally with the audience involves talking to them on a personal level. For example, he could have talked about how recycling will make the community a cleaner place for their children and grandchildren. An expert testimonial involves sharing the opinion of someone who is believed to be an expert on a subject. There is no information in this question that relates to cultural sensitivity, which is being sensitive to differences between ourselves and others, such as age, gender, or country of origin.

SOURCE: EI:012

SOURCE: Krakoff, P. (n.d.). *Leadership by persuasion—Four steps to success*. Retrieved January 21, 2011, from <http://ezinearticles.com/?Leadership-by-Persuasion—Four-Steps-to-Success&id=118428>

31. B

Employee burnout. Burnout results when employees experience negative stress over a prolonged period of time. Its symptoms include lethargic behavior and irritability among other signs. Employee stress can lead to burnout, but stress, by definition, is not long-term. Employee turnover occurs when a person leaves his/her job and is replaced by someone else. This is a cause, not a result, of stress. Organizational change occurs when a company's management decides to run the company in a different manner than its current state. This change can cause, but isn't a result, of stress.

SOURCE: EI:028

SOURCE: Vikesland, Gary. (n.d.) *For the employer: preventing employee burnout*. Retrieved on February 1, 2011, from <http://www.employer-employee.com/Burnout.html>

32. C

Project team. A project team is comprised of persons with complementary skills necessary to complete a single project. Outside of the project, the team members have other responsibilities. When the project ends, the team members go back to the positions for which they were hired. A quality circle is a participative management technique in which employees voluntarily work together to solve quality or performance-related problems and report the results to management. Participation in a quality circle is a long-term position that doesn't end after one problem has been solved. A group is simply a collection of people that meets regularly. A team is different from a group because a team has a full set of complementary skills to accomplish a goal, e.g., the different positions on a baseball team.

SOURCE: EI:045

SOURCE: *Business Dictionary*. (n.d.). Retrieved February 1, 2011, from <http://www.businessdictionary.com>

33. C

Building collaborative working relationships. When employees are willing to collaborate with one another, they are more likely to help the business achieve its overall goals. Collaboration involves working together to solve problems and generating ideas that may improve the business's processes. There is not enough information to determine if Anna and Ryan are discussing issues that are directly related to the company's finances, if they are to receive promotions, or what type of work culture the company supports.

SOURCE: EI:061

SOURCE: DuBrin, A. (2010). *Leadership: Research findings, practice, and skills* (6th ed.) [pp. 339-340]. Mason, OH: South-Western Cengage Learning.

34. B

Compound interest. Accounts that earn interest on the lump sums deposited (\$100 per year in this example) as well as the interest earned in prior years are called compound interest accounts. Simple interest is calculated on lump sums only. Present value is the current value of one or more future cash payments, discounted at some appropriate interest rate. Inflation is a rise in the general level of prices of goods and services in an economy over a period of time. While inflation has caused the price of college to increase, it is not calculated into how Sophia's account earns interest.

SOURCE: FI:062

SOURCE: Mahar, J. (n.d.). *Simple interest versus compound interest*. Retrieved January 25, 2011, from <http://www.financeprofessor.com/introcorpfinnotes/simplevscompound.htm>

35. A

Income. Income tax is a tax rate on all income a person earns. A percentage of Jane's pay is taken out to pay for this tax. Property tax is tax on property, such as a home. Consumers pay a sales tax when they purchase many types of goods. Since Jane is receiving her pay, not buying a good, sales tax does not apply. Excise taxes are taxes paid when purchases are made on a specific good, such as gasoline. Excise taxes are often included in the price of the product.

SOURCE: FI:067

SOURCE: AmosWEB. (2000-2010). *Taxes*. Retrieved January 21, 2011, from [http://www.amosweb.com/cgi-bin/awb\\_nav.pl?s=wpd&c=dsp&k=taxes](http://www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=taxes)

36. B

Annual percentage rate. The annual percentage rate (APR) is the interest paid on the portion of the bill Sheila does not pay each month. An annual fee is a once-a-year payment made to the credit card company that permits the person to use the company's credit card. A late fee is issued when a person does not submit any payment at all by the monthly due date. An overdraft fee is charged by a bank when a customer writes a check for more money than is in his/her checking account.

SOURCE: FI:071

SOURCE: Money Instructor. (2007). *Credit cards: choosing the right one*. Retrieved February 1, 2011, from <http://www.moneyinstructor.com/docs/lccreditchoosing.asp>

37. D

Track credit transactions. Accounting software programs allow businesses to efficiently track various financial data and generate financial reports. Accounting software tracks bank and credit transactions, generates invoices, and maintains tax information. Some accounting software programs have inventory applications. Inventory software applications are used to track various types of stock including office supplies, raw materials, and resale items. Multimedia software is used to create and play audio and video media. Simulation software applications are used to create virtual situations that are similar to real-life situations, such as aircraft-flight simulations.

SOURCE: FI:352

SOURCE: Intuit. (2011). *QuickBooks Pro: Features*. Retrieved February 21, 2011, from <http://quickbooks.intuit.com/pro/features/>

38. B

To provide external sources with accurate financial information. The accounting function collects and records the financial information in the appropriate format. Governments require businesses to provide certain types of financial information to regulatory agencies and shareholders in specific ways. For example, some governments require large businesses to use a specific accounting method, such as the accrual method. The accrual accounting method records transactions at the time they occur even if no money changes hands at that time. An advantage of using the accrual method is that it provides investors, creditors, and customers with a more accurate picture of a business's cash flows over time. Governments do not require businesses to use a specific accounting method to ensure that they are complying with intellectual property laws, to control the ways in which businesses develop credit policies, or to monitor how businesses establish sales goals and budgets.

SOURCE: FI:353

SOURCE: Fishman, S. (n.d.). *Cash vs. accrual accounting*. Retrieved February 18, 2011, from <http://www.nolo.com/legal-encyclopedia/cash-vs-accrual-accounting-29513.html>

39. A

Insider trading. Insider trading involves leaking information to others that is not known to the public. Insider trading laws vary by country, but violators could face imprisonment. In Joseph's situation, he told his sister about the company's bankruptcy before it was made public so she could try to sell her stock before she lost money. Embezzlement involves theft of valuables that have been entrusted to another's care. Money laundering involves legitimizing money that was obtained illegally. A bribe is an illegal payment intended to secure business or products in return.

SOURCE: FI:356

SOURCE: Hewitt, J. (n.d.). *Rules for insider trading*. Retrieved February 18, 2011, from [http://www.ehow.com/about\\_4779521\\_rules-insider-trading.html](http://www.ehow.com/about_4779521_rules-insider-trading.html)

40. B

Human-resources. Compensation is a human-resources activity. In human resources management, ethics involve treating all employees fairly. To treat employees fairly, decisions should be based on performance rather than personal feelings, such as disliking an employee's political views. The example does not relate to business-information, capital-assets, or financial-services management.

SOURCE: HR:411

SOURCE: Gomez-Mejia, L.R., Balkin, D.B., & Cardy, R.L. (2004). *Managing human resources* (4th ed.) [pp. 231-234]. Upper Saddle River, NJ: Pearson Prentice Hall.

41. B

Communication. Knowledge management involves leveraging the expertise, insight, and information of internal and external resources to help an organization achieve its goals. To manage knowledge, there must be communication. Without communication, the knowledge remains limited or unknown. Interpersonal interaction and computers are methods of communicating knowledge. Knowledge must be communicated to achieve short-term goals or to produce outputs in business.

SOURCE: KM:001

SOURCE: MBAResearch and Curriculum Center. (2011). *Introduction to management course guide* (pp. 5-3 - 5-4). Columbus, OH: Author.

42. A

Yes. Tom's errors could be costly to the company. Depending on the type of activity Tom is performing and how long he has been performing it incorrectly, his errors could be costly to the business. Tom could be using too many materials to produce a good, or he could be performing a process in a way that takes too much time. Zoe's motives are self-serving because she wants to appear more efficient and competent than Tom. These motives may be driven by a desire to get a salary increase or promotion. Although some people may consider Zoe's motives unethical, there is no evidence that she has violated procedural laws. If Zoe was concerned about the impact of Tom's performance on the company, she could tell Tom what he was doing wrong, or she could advise her manager that Tom was performing a task incorrectly. There is not enough information about Tom's task to know if it directly affects the company's relationships with its customers.

SOURCE: KM:002

SOURCE: Oracle. (2010, May). *Cultivating and formalizing a culture of knowledge capitalization*. Retrieved February 10, 2011, from <http://www.oracle.com/us/products/applications/tutor-upk/cultivating-and-formalizing-wp-080924.pdf>

43. B

Knowledge mapping. Knowledge mapping software provides the ability to capture a business's information sources and information flow in a graphic format. Knowledge maps help businesses determine if there are underused sources of knowledge, as well as areas in which there is a breakdown or gap in knowledge sharing. An Intranet is a business's internal computer network. Knowledge management software can capture information stored on a company's Intranet, which is one of many sources of a company's knowledge. Production and accounting software are different types of software used in specific functions of business. Businesses do not use these software programs to capture and track an entire organization's tacit and explicit knowledge.

SOURCE: KM:003

SOURCE: Tandukar, D. (2005, January 13). *Knowledge mapping*. Retrieved February 10, 2011 from <http://ezinearticles.com/?Knowledge-Mapping&id=9077>

44. C

Online communities. Online communities are groups of people who share common interests, issues, or concerns and regularly communicate via the Internet using a variety of venues—social networking sites, RSS feeds, chat rooms, wikis, etc. Online communities often form to share knowledge and solve problems in specific industries, disciplines, and business functions. Autoresponder is an e-mail function that automatically sends a reply to a message sender upon receipt of the message. Security devices, such as firewalls and antivirus software, prevent unauthorized users from accessing or harming a computer. Analog refers to a method used to convert data in to electrical signals to transmit information via telephone, radio, and television.

SOURCE: KM:003

SOURCE: Awareness, Inc. (2010, February 1). *Knowledge sharing on steroids: Online community brings together strategy and performance management professionals*. Retrieved February 14, 2011, from <http://www.marketwire.com/press-release/Knowledge-Sharing-on-Steroids-Online-Community-Brings-Together-Strategy-Performance-1110254.htm>

45. A

Employees' knowledge is limited to a specific part of the process. By limiting the amount of information employees have about an entire process, there is less risk that the company's trade secret will be revealed. For example, to protect Kentucky Fried Chicken's secret breeding recipe (11 herbs and spices), the company mixes small increments of the breeding in different locations. Then, the company collects and mixes the smaller increments to create the famous recipe. By fragmenting the mixing process, no single employee knows all of the ingredients. Fragmentation of processes does not replace the need to copyright written or artistic works, eliminate the need for non-compete agreements, or reduce the need to monitor all aspects of the production process.

SOURCE: KM:004

SOURCE: Inc.com. (2009, December 1). *How to protect your trade secrets*. Retrieved February 10, 2011, from <http://www.inc.com/magazine/20091201/how-to-protect-your-trade-secrets.html>

46. A

Customer list. A trade secret is information that a business develops or owns that can be used to obtain a competitive advantage or financial gain. Customer lists, recipes, production techniques, and research and development processes are examples of trade secrets. Businesses should develop procedures to protect trade secrets to reduce the risk of competitors obtaining the knowledge for use and gain. Trade journals, credit reports, and legal documents are not examples of trade secrets.

SOURCE: KM:004

SOURCE: Inc.com. (2009, December 1). *How to protect your trade secrets*. Retrieved February 10, 2011, from <http://www.inc.com/magazine/20091201/how-to-protect-your-trade-secrets.html>

47. A

Critical incident interview. Companies collect knowledge for a variety of reasons. When workplace accidents occur, companies want to know how and why they happened, so they can take steps to prevent similar accidents in the future. Questioning employees who witnessed the accident is a good starting point for determining the cause of the accident. This questioning process is called a critical incident interview. The knowledge gathered from the interviews helps the company understand the circumstances or problems that led up to the accident. Brainstorming is a creative thinking technique. An employee performance review is a formal evaluation of an employee's work efforts.

SOURCE: KM:005

SOURCE: Usability Body of Knowledge. (2005-2010). *Methods: Critical incident technique (CIT)*. Retrieved February 10, 2011, from <http://www.usabilitybok.org/methods/p2052>

48. C

Its employees were unresponsive. When employees do not return calls or provide information in a timely manner, customers are likely to get what they want from the business's competitors. There is no indication that the employees lacked training, concern for the environment, or access to current technology.

SOURCE: MK:019

SOURCE: MK LAP 3—Just Do It...Right (Company Actions and Results)

49. A

How do we obtain information about our customers in ways that do not violate their privacy? Businesses can track their customers' purchasing habits in many ways—from Internet surfing activities to point of sale data. Businesses must carefully weigh how to obtain, store, release, and use this information to protect their customers' right to privacy. Society values this right, and if it is breached (e.g., selling customer lists to third parties without customer authorization), customers may go to competitors to purchase goods and services. When developing credit policies, businesses establish criteria and must identify the information they need to determine their customers' ability to pay. Research methods used in a competitive analysis and sources of primary and secondary research are not directly associated with the business's ethics and its customer-related data.

SOURCE: NF:111

SOURCE: Azmat, M. (2006, May 19). *Cyberethics (information management ethics)*. Retrieved February 17, 2011, from [http://ezinearticles.com/?Cyberethics-\(Information-System-Ethics\)&id=201522](http://ezinearticles.com/?Cyberethics-(Information-System-Ethics)&id=201522)

50. A

Scheme. The scheme identifies the protocol to be used to access the resource on the Internet. It can be HTTP or HTTPS. The host name identifies the host that holds the resource, which is maps.google.com in this example. A path identifies the specific resource within the host that the Web client wants to access, which is /maps in this example. A query string follows a path and provides a string of information that the resource can use for some purpose. In this question, the query string is ?hl=en&tab=wl

SOURCE: NF:006

SOURCE: IBM Corporation. (n.d.) *The components of a URL*. Retrieved on February 1, 2011, from [http://publib.boulder.ibm.com/infocenter/cicsts/v3r1/index.jsp?topic=/com.ibm.cics.ts31.doc/d/fhtl/topics/dfhtl\\_uricomp.htm](http://publib.boulder.ibm.com/infocenter/cicsts/v3r1/index.jsp?topic=/com.ibm.cics.ts31.doc/d/fhtl/topics/dfhtl_uricomp.htm)

51. B

Kelli, Juan, and Phil can access and make changes to the company production schedule from their home computers. Groupware applications allow employees to access the same information from different locations. Because Kelli, Juan, and Phil can access the company's production schedule from their home computers, they are using groupware. There is not enough information provided to determine if the other groups can access presentation software programs, spreadsheet reports, and desktop publishing software through groupware applications, such as company intranets.

SOURCE: NF:011

SOURCE: White, D., & Foster, N. (n.d.). *What is groupware?* Retrieved February 17, 2011, from <http://www.wisageek.com/what-is-groupware.htm>

52. B

Allocate project resources. Project-management software allows businesses to plan, track, and evaluate all aspects of a project. A comprehensive project-management software program can help the project manager allocate resources—human, financial, material, capital—in the most efficient ways. Stakeholders, rather than software, define the project's purpose, establish the project's standards, and evaluate the quality of project deliverables.

SOURCE: NF:130

SOURCE: Portny, S., Mantel, S.J., Meredith, J.R., Shafer, S.M., & Sutton, M.M. (2008). *Project management: Planning, scheduling, and controlling projects* (p. 49). Hoboken, NJ: John Wiley & Sons.

53. B

Make decisions. Project-management software helps project managers automate, schedule, and track the various project components by computer. If used appropriately, the software can help a project run efficiently. One thing software cannot do is make decisions. Individuals make decisions that are often based on input entered into the computer.

SOURCE: NF:130

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [p. 378]. New York: Penguin Group.

54. A

Human resources records. A company's human resources records include employee attendance as well as notes (positive or negative) about each employee's performance. Production records would not be helpful in evaluating customer service employees because those employees do not work in the part of the company that produces the products. R&D records are not helpful because customer service employees do not work in research and development. Inventory records track the products in the warehouse, which is not the responsibility of the customer service department.

SOURCE: NF:014

SOURCE: Montgomery, B. (2010). *Basic business: Good record keeping*. Retrieved January 24, 2011, from <http://www.powerhomebiz.com/vol11/recordkeeping.htm>

55. A

Electronic data interchange (EDI). EDI systems allow businesses to transmit information to and from their suppliers. EDI applications can track a business's inventory and determine when the business should reorder, which increases the purchasing function's efficiency. GPS technology involves guiding and tracking vehicles en route to a destination. CRM technology is used to monitor customer data and build ongoing customer relationships. Sales departments use territorial routing software to develop efficient sales-call patterns.

SOURCE: OP:191

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 510). Woodland Hills, CA: Glencoe/McGraw-Hill.

56. B

Obtain required permits. All levels of government require businesses to obtain various types of permits and licenses to operate within their jurisdictions. For example, restaurants must obtain a permit from the health department to serve food. Jurisdictions often require businesses to obtain zoning permits to use land for a specific purpose and special licenses to sell lottery tickets and alcohol. Businesses do not need to purchase office equipment, analyze their strategies, or publish their codes of ethics to operate legally.

SOURCE: OP:339

SOURCE: FindLaw. (2011). *Starting a business: License and permit checklist*. Retrieved February 2, 2011, from <http://smallbusiness.findlaw.com/starting-business/starting-business-licenses-permits/starting-business-licenses-permits-checklist.html>

57. B

Local ordinances. Businesses must follow various government regulations that are designed to protect the public from illness and hazardous conditions. To ensure that businesses are following these regulations, government agencies at all levels often inspect businesses. For example, the local fire department may inspect a business facility to determine if the business has the appropriate number of fire extinguishers as required by law. If an inspection determines that a business is violating regulations, the agency may fine the business or close it until the business is in compliance. Free-trade agreements, securities regulations, and consumer-protection laws do not involve inspecting facilities to determine if the business is free of safety and health hazards.

SOURCE: OP:339

SOURCE: Ray, L. (n.d.). *Commercial building inspection checklist*. Retrieved February 3, 2011, from [http://www.ehow.com/facts\\_4842000\\_commercial-building-inspection-checklist.html](http://www.ehow.com/facts_4842000_commercial-building-inspection-checklist.html)

58. D

All employees. To reduce the risk of injury to themselves and to others, all employees are responsible for performing their work carefully. Managers are employees who guide and monitor other employees' activities. Governments establish the safety laws that businesses must follow. Governments often require designated agencies to conduct safety inspections to ensure that businesses are following safety laws.

SOURCE: OP:008

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 406-409]. Tinley Park, IL: Goodheart-Willcox Company, Inc.

59. A

Tight deadlines. Prioritizing involves ranking things in the order of their relative importance. Individuals evaluate many factors when prioritizing their work, including the task's deadline and the time that it will take to complete the task. If an important report is due in one hour and it takes 30 minutes to prepare, the employee will need to complete the report before working on anything else. Tight deadlines may or may not involve interpersonal communication or the completion of routine activities or interactive tasks.

SOURCE: OP:228

SOURCE: eHow.com. (1999-2011). *How to set priorities at work*. Retrieved February 9, 2011, from [http://www.ehow.com/how\\_6033457\\_set-priorities-work.html](http://www.ehow.com/how_6033457_set-priorities-work.html)

60. B

Jack pulls stock, Mary packs the box, and Tim places the order on the truck. When one task needs to be completed before another task can be started, then the work must be done in sequential order. Before Tim can place an order on the truck, Mary must pack the stock that Jack pulls from inventory. In this situation, each employee depends on another employee to perform a task before s/he can perform his/her assigned task.

SOURCE: OP:230

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 110, 112]. New York: Penguin Group.



61. A  
Execution. During the execution phase, project activities are being carried out. During this phase, the manager controls and monitors the work that is being performed. During the definition phase of the project, the project is initiated and the project charter is developed. The project objectives, work breakdown structure, and resource allocation needs are established during the planning phase of the project. During the closing phase of the project, the deliverables are evaluated and team members and equipment returned or reallocated to other functions.  
SOURCE: OP:158  
SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 40-41]. New York: Penguin Group.
62. C  
Conduct a project audit. A project audit involves analyzing all aspects of the project at a given time during the project development process. An audit provides a realistic, current assessment of the situation. Conducting an audit may reveal that the project is over budget or the quality of work is above or below expectations. The audit results help project managers determine if they should make changes or improvements to get the project back on track. In some situations, stakeholders require project audits as part of the project contract. Seeking professional development, reviewing past correspondence, and comparing industry reports are not actions that help project managers monitor project activities and results.  
SOURCE: OP:340  
SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 283-284]. New York: Penguin Group.
63. B  
No, because Raving Rivets' score of 3.9 is under the minimum. To calculate Raving Rivets' total score, first multiply each category score by the weight given. For example, 4 times 0.2 equals 0.8. Then add the three subtotals together ( $0.8 + 2.5 + 0.6 = 3.9$ ).  
SOURCE: OP:162  
SOURCE: Monczka, R., Trent, R., & Handfield, R. (2002). *Purchasing and supply chain management* (2<sup>nd</sup> ed.) [pp. 251-259]. Mason, OH: South-Western.
64. D  
Effective conflict-resolution skills. Because disagreements occur among businesses and their suppliers, effective conflict-resolution skills can facilitate a resolution that is agreeable to both parties. If businesses and their vendors work out disagreements, they are more likely to develop ongoing, collaborative relationships. Businesses and their vendors may have some different goals, but they should align their goals to achieve their ultimate goal—satisfying the end user. It is important for a business to share relevant, but not all, information (e.g., confidential) with its suppliers.  
SOURCE: OP:241  
SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 122-125]. South-Western Cengage Learning.
65. A  
Reorder. A reorder is an order for the same goods previously ordered from the same vendor. An open order is an order for staple goods that is placed with one of several available vendors who can meet the business's immediate requirements (e.g., time, price, quantity). An advance order is a regular order that is placed now with delivery requested at a future time (e.g., weeks, months). When a regularly stocked item is temporarily out of stock, the item is backordered. Unless the purchase order states to cancel backorders, businesses typically ship backordered items when they become available.  
SOURCE: OP:250  
SOURCE: Cash, R.P., Thomas, C., Wingate, J.W., & Friedlander, J.S. (2006). *Management of retail buying* (p. 208). Hoboken, NJ: John Wiley & Sons.

66. C

Blinds for a non-standard size window. A special order is a request for a custom product or a product that a vendor does not normally carry in stock. Window blinds may need to be custom made or special ordered for windows that are an unusual size. Standard replacement parts for popular items on the market are usually carried in stock and do not require special ordering.

SOURCE: OP:250

SOURCE: Cash, R.P., Thomas, C., Wingate, J.W., & Friedlander, J.S. (2006). *Management of retail buying* (p. 208). Hoboken, NJ: John Wiley & Sons.

67. B

Trash bags, sanitizer, and light bulbs. All types of businesses keep maintenance supplies on hand to ensure that the business is clean and that it runs smoothly. Trash bags, sanitizer, light bulbs, batteries, cleaning items, paper towels, and mops are maintenance items that businesses keep on hand. Pens may be classified as maintenance or office supplies. Computers and conveyer belts, and office furniture are capital goods or equipment that businesses use to operate smoothly. Sportswear items (e.g., shorts, t-shirts) are most likely resale inventory.

SOURCE: OP:336

SOURCE: Inman, R. (2009). *Inventory types*. Retrieved January 31, 2011, from <http://www.enotes.com/management-encyclopedia/inventory-types>

68. D

Make a concession. A concession is something that one party gives up during a negotiation. Effective negotiators plan the points that they are willing to concede before going to the negotiating table. Often, the negotiator will use silence as a way to make the vendor feel uncomfortable. The business hopes that the vendor might concede the point to fill the silence and keep the discussion going. The business will work to maintain its leverage or power (authority) over the negotiation so it can get what it wants from the vendor. If agreement cannot be reached, the negotiation may end in gridlock, a situation in which neither party gets what it wants.

SOURCE: OP:337

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 478-481]. South-Western Cengage Learning.

69. A

An advertising manager corrects a copywriter's ad copy. An important aspect of quality control is reviewing the finished product to determine if it meets the business's quality standards. Quality is measured throughout all business functions. For example, an advertising manager may be responsible for proofreading and editing a copywriter's work to ensure that the information is accurate and reflects the ad's objective. This process ensures that the ad's quality aligns with the company's overall objectives. The remaining options are routine activities in which the quality of the work is not being evaluated.

SOURCE: OP:164

SOURCE: Madison, N., & Foster, N. (2011, February 16). *What is quality control?* Retrieved February 17, 2011, from <http://www.wisegeek.com/what-is-quality-control.htm>

70. B

Competitive. Companies analyze many business functions to determine if they are achieving their organizational goals. Companies analyze their activities in relation to their competitors' activities to determine how well they are performing in the marketplace. If a competitive analysis reveals that a company has lost some of its market share, the company will need to attract new markets or develop new products to improve its market share. Luke will likely review the competitors' promotional, financial, and production processes as part of the competitive analysis if the information is available.

SOURCE: OP:327

SOURCE: MeasureBusiness.com. (2010, December 10). *Business analysis toolkit*. Retrieved February 9, 2011, from <http://www.measurebusiness.com/>

71. D

Waste reduction. Businesses often collect and analyze information to reduce waste throughout their organizations. In the example, the waste involved the use of paper. By reducing waste, a business can save money, increase its profits, and often protect the environment. The analysis does not provide insight about the business's return on investment, efficiency levels, or resale goods.

SOURCE: OP:327

SOURCE: MeasureBusiness.com. (2010, December 10). *Business analysis toolkit*. Retrieved February 9, 2011, from <http://www.measurebusiness.com/>

72. A

Hiring a new department manager. An extensive decision is a type of decision that requires a lot of consideration. Hiring a department manager is an extensive decision because the decision maker(s) must evaluate each applicant's skills in relation to the standards and expectations for the position. Often, this requires a lot of input from others, including other department managers and executive-staff members. Printing a document on yellow paper and wearing a blue suit to a meeting are routine decisions. Booking an airline flight for a business trip is an example of a limited decision because the individual has a few alternatives (flights) from which to choose.

SOURCE: PD:017

SOURCE: PD LAP 10—Weigh Your Options (Decision Making in Business)

73. B

Maria's father is a microbiologist. Aptitudes are innate and may be inherited. Interests are influenced by outside forces, such as friends, classes, or tools such as the microscope. A person's ethics influence his/her beliefs, interests, and choices.

SOURCE: PD:023

SOURCE: Johnson O'Connor Research Foundation. (n.d.). *Interests vs. aptitudes*. Retrieved on February 9, 2011, from [http://www.jocrf.org/about\\_aptitudes/interests.html](http://www.jocrf.org/about_aptitudes/interests.html)

74. B

Networking. Networking involves exchanging information with others for the purpose of professional or business development and/or advancement. Networking is an effective way to find and obtain jobs because it involves talking with friends, relatives, acquaintances, and former employers who know about certain industries and businesses. These contacts can pass on information about openings and make referrals. Making a list of possible contacts is a good way to organize the networking process. Kim is not promoting, advising, or forecasting.

SOURCE: PD:037

SOURCE: Matias, L. (n.d.). *Effective networking techniques*. Retrieved February 16, 2011, from <http://www.job.com/career-advice/job-search-advice/effective-networking-techniques.html>

75. A

Update his technical skills. Because technology is constantly changing, workers must keep up with the changes to enhance their employability. Taking short- or long-term computer classes helps workers to learn skills they need to perform their work. There is not enough information to determine if Andrew is changing his career path or obtaining a licensure.

SOURCE: PD:033

SOURCE: Jacowski, T. (2008, February 29). *The importance of continuing education*. Retrieved February 16, 2011, from <http://ezinearticles.com/?The-Importance-of-Continuing-Education&id=1017765>

76. D

Attendance. To provide a fair and consistent work environment, businesses develop rules of conduct. The rules of conduct outline a company's policies, procedures, and expectations regarding employees' behavior in the workplace. Businesses expect their employees to arrive at work on time and leave work at a designated time. Employees who continuously arrive late not only violate their employers' attendance rules, but cost the companies money for time that the employees are not working. Appearance refers to appropriate dress and hygiene in the workplace. Harassment issues involve saying or doing inappropriate things. Safety violations involve actions that pose harm to themselves, coworkers, customers, or visitors.

SOURCE: PD:251

SOURCE: Abrenica, M. (2010, June 30). *Code of conduct in the workplace*. Retrieved January 31, 2011, from [http://www.ehow.com/about\\_6681079\\_code-conduct-workplace.html](http://www.ehow.com/about_6681079_code-conduct-workplace.html)

77. D

Trent Simpson, Advertising Specialist. The chain of command defines the level of authority and the specific individual who supervises particular employees. Levels of authority are often determined by the business function. As advertising specialist, Trent reports directly to the marketing manager, Patty. Patty reports to Lucille, who is the vice president of marketing and sales. Belinda works in human resources and would likely report to the Senior human resources manager or vice president of human resources. Malcolm reports to the purchasing manager. Purchasing is an operations function.

SOURCE: PD:252

SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.) [p. 249]. Mason, OH: South-Western Cengage Learning.

78. A

The variety of its goods and services. Organizational goals are the overall objectives or desired outcomes that the business wants to achieve. Businesses set different types of organizational goals. Product goals involve setting standards for various characteristics of the business's products—quality, style, durability, variety, etc. Expenses and income are budgeting (financial) considerations. Establishing guidelines for workplace behavior are human-resources goals. Consumer goals involve setting standards and objectives to accommodate the target market's needs, wants, and expectations.

SOURCE: PD:254

SOURCE: Barnat, R. (2005). *Organizational goals*. Retrieved January 31, 2011, from <http://www.introduction-to-management.24xls.com/en104>

79. C

Strategic. Organizational goals are the overall objectives that the firm wants to achieve. Strategic goals are long-term objectives that the firm sets—usually three to five years. The strategic goals provide guidance for setting tactical goals, which are more specific goals and involve specific actions that are designed to achieve the strategic goals. Profit and productivity are types of strategic and tactical goals. There is not enough information provided to determine if management is setting profit or productivity goals.

SOURCE: PD:254

SOURCE: Reference for Business. (n.d.). *Goals and goal setting*. Retrieved February 14, 2011, from <http://www.referenceforbusiness.com/management/Ex-Gov/Goals-and-Goal-Setting.html>

80. D

Communicate priorities. Employees carry out the work to achieve the organization's goals. To carry out the work, managers must communicate their work priorities to employees. When employees know and understand their priorities, they can perform the most important tasks before they tackle the less important tasks. An organization's mission statement guides the goal-setting process, but it does not provide specific information for completing specific work tasks. Although a variety of work subcultures (e.g., departmental, team, social) exist in most organizations, managers must communicate their work priorities to employees so that they can carry out tasks that will achieve organizational goals. Collected information must be communicated and acted upon to achieve the organization's goals.

SOURCE: PD:255

SOURCE: Success Factors. (n.d.). *Goal execution*. Retrieved February 2, 2011, from <http://www.successfactors.com/topics/Goal-Execution/>

81. A

It serves as authorization to start the project. The project charter is a document that outlines the purpose and terms of the project. It serves as a contract with the project's stakeholders. When all stakeholders agree and sign the project charter, it serves as authorization for the project team to begin the project. Actual outcomes cannot be assessed until the project is completed. The work breakdown structure divides the project into work packages and tasks. Often, detailed task information is described in the work breakdown structure dictionary. The project charter may be slightly modified, but any modifications must be approved and signed off on by all stakeholders. Usually, any modifications to the project charter are made by the project manager.

SOURCE: PJ:005

SOURCE: Murray, L.J. (2010, January 5). *What is the purpose of a project charter?* Retrieved February 1, 2011, from [http://www.ehow.com/facts\\_5832232\\_purpose-project-charter\\_.html](http://www.ehow.com/facts_5832232_purpose-project-charter_.html)

82. A

Scope statement. The statement of work (SOW) is a document that outlines the terms, commitments, and conditions of the project. The scope statement is a component of the SOW that clearly defines the things that the project team will do, as well as the things it won't do. The purpose statement defines the purpose of or reason for carrying out the project. The communication plan provides details about the types of reports and other forms of communication that the project team will provide stakeholders. The goals and objectives section of the SOW outlines the desired outcomes of the project.

SOURCE: PJ:005

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 74-77]. New York: Penguin Group.

83. C

Work breakdown structure dictionary. Preparing the work breakdown structure (WBS) is the process of dividing project tasks into meaningful components to complete the project. The WBS helps the project manager identify tasks and effectively schedule, assign, and monitor complex project activities. The work breakdown structure dictionary is a comprehensive "manual" that outlines project standards, activity procedures, processes, and terminology. Team members can refer to the WBS dictionary if they need to obtain information about how to carry out a task or activity. Project objectives are provided to stakeholders in the statement of work (SOW) document, which may also include information about the costs associated with the project. A network diagram is a graphic representation (e.g., map, chart) of the project's schedule. A production schedule provides general deadlines for various activities and tasks.

SOURCE: PJ:006

SOURCE: Project Management Knowledge. (2007-2010). *Work breakdown structure dictionary*. Retrieved February 1, 2011, <http://project-management-knowledge.com/definitions/w/work-breakdown-structure-dictionary/>

84. D

Motivating the team. Project managers can motivate team members by reinforcing positive behavior and by rewarding them for reaching certain goals. Offering an incentive such as a celebration luncheon can encourage team members to keep striving to achieve the team's goals. In this situation, the project manager is not expressing empathy, measuring goals, or offering a financial incentive, such as a bonus.

SOURCE: PJ:007

SOURCE: Business Performance. (2003-2010). *Project team management*. Retrieved January 26, 2011, from [http://www.businessperform.com/project-management/project\\_team\\_management.html](http://www.businessperform.com/project-management/project_team_management.html)

85. D

To determine if the deliverables achieved project goals. After the stakeholders receive the project deliverables, the project manager develops a post-implementation review. The post-implementation review is a formal, detailed assessment of the completed project in relation to the project's objectives. The document assesses the project's budgets, deadlines, processes, and the stakeholders' satisfaction with the results or deliverables. The "lessons learned" document outlines the successes and problems with the project. It includes suggestions for improvement for subsequent, similar projects. Although releasing project resources and archiving project documentation are important aspects of closing a project, these activities are not the primary purpose of the post-implementation review.

SOURCE: PJ:008

SOURCE: Lewinson, M. (2011, January 17). *Project closure template-key steps to closing a project*. Retrieved February 1, 2011, from <http://www.mymanagementguide.com/project-closure-template-key-steps-to-closing-a-project/>

86. C

Developing processes to prevent product defects. Quality management is the coordination of resources to ensure the degree of excellence of a process, good, or service. Quality assurance is an aspect of quality management. It involves developing systems and processes to prevent defects as the products are being created. Quality control involves identifying defects in goods and services after they have been created, which includes inspecting the finished product. Quality improvement is an aspect of quality management that focuses on product improvement, which may involve using better materials to create better products. Customer-satisfaction feedback can help businesses determine if they need to improve their products.

SOURCE: QM:001

SOURCE: Diffen.com. (n.d.). *Quality assurance vs. quality control*. Retrieved February 4, 2011, from [http://www.diffen.com/difference/Quality\\_Assurance\\_vs\\_Quality\\_Control](http://www.diffen.com/difference/Quality_Assurance_vs_Quality_Control)

87. B

Discipline and measurement. Six Sigma is a quality-management framework that focuses on continuously setting higher goals of perfection to improve the quality of the business's goods, services, or processes. Six Sigma uses quantitative information (easily measureable facts and data) to assess the degree of improvement at various intervals and to continuously set new improvement goals. Because the goals are measureable, the business must be disciplined in carrying out the activities to achieve the established goals at each interval. Comparing the goals with the results holds the business accountable for its actions. Although creativity, innovation, and customization may be important aspects of developing quality products for some businesses, these aspects are not the focus of the Six Sigma framework.

SOURCE: QM:002

SOURCE: DuBrin, A. (2009). *Essentials of management: Instructor's edition* (8th ed.) [p. 286]. Mason, OH: South-Western Cengage Learning.

88. A

Monitoring data. Continuous improvement is an ongoing process that looks for ways to increase the levels of excellence in relation to a process, good, or service. By monitoring various data, the business can detect problems, which can help the business identify ways or opportunities for improvement. After the business identifies opportunities for improvement, it can set goals to improve quality. The improvement goals may or may not include budget and resource issues.

SOURCE: QM:003

SOURCE: Taylor, H. (n.d.). *Benefits of continuous quality improvement (CQI)*. Retrieved February 7, 2011, from [http://www.ehow.com/facts\\_5317408\\_benefits-continuous-quality-improvement-cqi.html](http://www.ehow.com/facts_5317408_benefits-continuous-quality-improvement-cqi.html)

89. B

Check. The first step in the PDCA continuous improvement technique is planning a change. During the second step of the process, the business implements (does) the small-scale change. The third step involves checking the results to determine if the small-scale change was effective. If the change was successful, then the business takes action to implement the change on a larger scale.

SOURCE: QM:003

SOURCE: American Society for Improvement. (n.d.). *Continuous improvement*. Retrieved February 7, 2011, from <http://asq.org/learn-about-quality/continuous-improvement/overview/overview.html>

90. A

Ethics committee. A breach of ethics poses a serious risk to businesses and may result in lawsuits, fines, and other financial losses. Some companies have implemented ethics committees to monitor and guide ethical policies and address ethical issues in the workplace. Committee members are often employees from various departments or divisions at all levels of the organization. Ethics committees help ensure that all employees, management, and board members are following ethical standards and regulations. Human-resources council, retribution board, and executive commission are not groups or systems that monitor the integrity or ethics of a company.

SOURCE: RM:041

SOURCE: McNamara, C. (n.d.). *Complete guide to ethics management: An ethics toolkit for managers*. Retrieved February 14, 2011, from <http://managementhelp.org/ethics/ethxgde.htm#anchor41892>

91. A

What-if planning. Companies often use computer software programs to analyze their levels of risk in different business functions. The software calculates a company's risk levels in a variety of scenarios based on different types of data queries. By establishing queries using different combinations of data, the company obtains results under many circumstances. The company analyzes the quantitative results of each scenario and uses them to make business decisions. This process is "what-if" planning. Qualitative research is a study based on opinion or expertise. Top-down forecasting is a method of predicting sales. During the product-development process, businesses conduct product feasibility studies to determine the advantages and disadvantages of producing a certain good or service.

SOURCE: RM:042

SOURCE: Dlabay, L.R., & Burrow, J.L. (2008). *Business finance* (p. 343). South-Western Cengage Learning.

92. B

Captive insurer. When businesses cannot obtain commercial insurance to cover a risk, they may legally form insurance companies as subsidiaries or sister companies to cover the losses associated with the risk. These insurance companies are called captive insurers because they exist only to serve a specific purpose—they are held "captive" by their parent companies. Lending institutions loan money to individuals and businesses. Generic provider and organic entity are not types of insurance providers.

SOURCE: RM:043

SOURCE: Answers.com. (2011). *Captive insurance company*. Retrieved February 14, 2011, from <http://www.answers.com/topic/captive-insurance-company>

93. C

Obstruction of justice. Obstruction of justice is a legal penalty that applies to individuals or businesses that hide important information from law enforcement agencies, such as concealing a client's questionable financial data. If evidence indicates that unethical or illegal business practices have obstructed a criminal investigation, the business could be fined, and the employees concealing the information could face imprisonment. A public scandal could severely tarnish a business's reputation, as in the case of the Arthur Andersen accounting firm and its affiliation with Enron. Expropriation is the act of government taking over private property. Breach of contract involves breaking the terms of a legal agreement. Substantiate means to provide proof or evidence of something.

SOURCE: RM:043

SOURCE: Bovée, C.L., Thill, J. V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 524-526, 547]. Upper Saddle River, NJ: Pearson.

94. A  
Reduce uncertainty. Planning is the management function of deciding what will be done and how it will be accomplished. Planning activities focus on deciding what will be done and setting goals that the business eventually wants to achieve. When plans are communicated to employees so they understand where the business is headed, it can reduce uncertainty and confusion. The organizing function of management establishes a chain of command.  
SOURCE: SM:063  
SOURCE: Robbins, S.P., & Coulter, M. (2005). *Management: Custom edition for Ashland University* (pp. 158-159). Boston: Pearson Custom Publishing.
95. B  
Provide direction. Planning is the management function of deciding what will be done and how it will be accomplished. The planning process provides direction by establishing goals for all business activities, which might include generating ideas, creating something capable of satisfying needs and wants (utility), and making a positive impact on society.  
SOURCE: SM:063  
SOURCE: Robbins, S.P., & Coulter, M. (2005). *Management: Custom edition for Ashland University* (pp. 158-159). Boston: Pearson Custom Publishing.
96. C  
Organizing. Organizing is the management function of setting up the way the business's work will be done. Controlling is the management function that monitors the work effort. Supervising employees' performance is a controlling activity. Arranging is not a management function.  
SOURCE: SM:064  
SOURCE: McNamera, C. (n.d.). *Management function of organizing: Overviews of methods*. Retrieved January 28, 2011, from <http://managementhelp.org/orgnzing/orgnzing.htm>
97. A  
Staffing. Staffing is the management function of finding workers for a business. Recruiting, interviewing, hiring, and training are staffing activities. Leading is an activity that involves influencing and motivating others to take a certain course of action. Coordinating is an organizing activity that involves bringing resources together to accomplish a goal.  
SOURCE: SM:065  
SOURCE: Management Study Guide. (1998-2011). *Functions of management*. Retrieved January 28, 2011, from [http://www.managementstudyguide.com/management\\_functions.htm](http://www.managementstudyguide.com/management_functions.htm)
98. C  
Providing employees with instructions. Directing is the management function of providing guidance to workers and work projects. An important aspect of providing guidance is giving instructions to employees so they can perform their work. Interviewing job applicants is a staffing activity. Developing long-term objectives is a planning activity. Creating systematic approaches for activities is an organizing activity.  
SOURCE: SM:066  
SOURCE: Erven, B. (n.d.). *The five functions of management*. Retrieved January 27, 2011, from <http://extension.osu.edu/~mgtexcel/Function.html>
99. D  
Concurrent. Control is the management function of monitoring the work effort. Managers monitor the work effort in many ways. Concurrent control involves monitoring the work while the employee performs it. This allows the manager to determine if the employee is performing the work correctly and efficiently. If the employee is not performing the work properly, the manager can provide the employee with corrective feedback, which is a remedial action. Preventive control occurs before a business activity is performed. Preventive control often involves establishing standards and procedures for carrying out the activity. An external control strategy is based on a management philosophy in which employees are motivated primarily by external rewards (e. g., bonuses, and awards).  
SOURCE: SM:004  
SOURCE: DuBrin, A. (2009). *Essentials of management: Instructor's edition* (8th ed.) [p. 511]. Mason, OH: South-Western Cengage Learning.



100. C

Control. Control is establishing performance standards based on the company's objectives and then evaluating and reporting the actual job performance. The scorecard allows top management to evaluate job performance in each country. Planning requires administration to assess where the company is currently and where it should be in the future. From there an appropriate course of action is determined and implemented to attain the company's goals and objectives. While the scorecard may be evaluated prior to planning, it is not a plan for moving forward. It is a picture of the current quarter. In the directing function, management assists staff in meeting company as well as personal career goals. Organizing involves creating an organizational chart, establishing and maintaining relationships, and assigning required resources.

SOURCE: SM:004

SOURCE: Pakhare, Jayashree. (2007). *Management concepts—The four functions of management*. Retrieved March 1, 2010, from <http://www.buzzle.com/articles/management-concepts-the-four-functions-of-management.html>