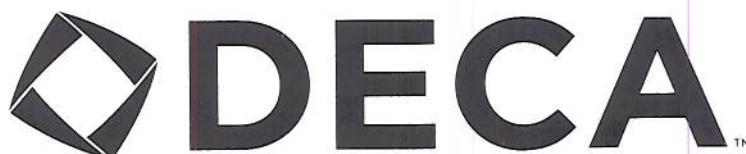


# **Principles of Business**

## **2010 EXAM**

International Career Development Conference, 2010

This comprehensive exam was developed by MBAResearch and Curriculum Center®, under contract with DECA, Inc.



1. Torts relating to misrepresented facts about a business's goods or services may be subject to a lawsuit on the basis of
  - A. defamation.
  - B. assault.
  - C. intrusion.
  - D. fraud.
2. Which of the following is an example of a voluntary debtor-creditor relationship:
  - A. Owing punitive damages
  - B. Receiving a monetary gift
  - C. Requiring specific information
  - D. Obtaining a loan from a bank
3. Which of the following is a function of administrative law:
  - A. Ratification of treaties
  - B. Passage of statutes
  - C. Control of conduct
  - D. Appeal of criminal acts
4. Because David did not find the department's policy about working overtime in the company's employee handbook, he should
  - A. send a memo to the human-resources manager.
  - B. look for the policy on the company's web site.
  - C. question an employee from another department.
  - D. ask the department manager about the policy.
5. During a meeting, Kevin provided an idea for cutting departmental costs by 20 percent. Which action would indicate that Kevin's supervisor liked his idea:
  - A. Rolling eyes while sarcastically stating, "Great idea, Kevin"
  - B. Nodding, smiling, and writing down the idea
  - C. Making eye contact, frowning, and crossing arms
  - D. Cutting Kevin off while he's speaking and asking for more ideas
6. Which of the following is a relevant question for a job applicant to ask during an employment interview:
  - A. Are there any good restaurants nearby?
  - B. What type of training do you provide for this position?
  - C. Why didn't the sales department meet its goals last month?
  - D. What is your annual salary?
7. If a message recipient is frowning and has clenched fists, the emotional response that is s/he most likely displaying is
  - A. sadness.
  - B. anger.
  - C. joy.
  - D. nervousness.
8. Which of the following is a legitimate response for an employee to provide to a customer regarding an inquiry about product pricing:
  - A. I'm pretty sure that the item costs \$39.65.
  - B. I'm not sure what the pricing is.
  - C. You'll need to contact the appropriate person to get the price.
  - D. If you can wait a moment, I'll check for the price in the computer.

9. What is an important consideration when giving employees verbal directions for completing a task?
- A. It is unnecessary to use demonstrations to support verbal content.
  - B. It is best to present information in reverse order.
  - C. Employees usually ask questions when they are confused.
  - D. Employees process information differently.
10. In a weekly staff meeting, Morgan presents a set of new procedures that she believes will improve the department's productivity levels. Jacob disagrees with Morgan's approach and provides alternative for improvement. Although Morgan agrees with a couple of Jacob's points, she still thinks her plan will be better for the company in the long run. How can Morgan effectively defend her idea for improvement?
- A. Tell Jacob that most of his ideas are weak and restate her suggestions
  - B. Present supporting research for her suggestions in an unbiased way
  - C. Request that the group meet again, so she has time to come up with new ideas
  - D. Ask the other members of the group for their input and ideas
11. An employee is preparing a formal report and must present important facts in the sequence in which they occurred. The employee should prepare the report by presenting the information in \_\_\_\_\_ order.
- A. concurrent
  - B. inverted
  - C. chronological
  - D. reverse
12. Which of the following is a graphic aid that uses text to depict a sequence of events or the order of a process:
- A. Bar chart
  - B. Pie chart
  - C. Flowchart
  - D. Geographic map
13. Before sending a professional e-mail message to a business associate, a businessperson should
- A. code the message's importance as "high priority."
  - B. proofread the message for spelling and grammatical errors.
  - C. make sure that the message is typed in capital letters.
  - D. insert a vague statement in the message subject line.
14. Kevin developed a letter stating that his company will be offering discounts on certain products for a limited time. Kevin's letter is an example of a(n)
- A. expression of personal opinion.
  - B. request for data.
  - C. instructional guide.
  - D. informative message.
15. Because Caroline does not have enough time to read an entire 400-page business report, what section of the report should she review to obtain an overview of the most important content?
- A. Executive summary
  - B. Table of contents
  - C. Appendices
  - D. Conclusions

16. XRT Corporation's human-resources manager sends a memo to all employees that describes some general changes that will affect their healthcare insurance next year. This is an example of \_\_\_\_\_ communication.
- A. mass, upward      C. formal, downward  
B. lateral, downward      D. verbal, upward
17. Businesspeople who fail to adapt their communication styles to appeal to their international clients are more likely to
- A. impress the clients.      C. offend the clients.  
B. earn the clients' trust.      D. persuade the clients to buy.
18. Which of the following is a policy that the WNJ Company might implement to reinforce its image as an efficient and responsive business:
- A. Allow employees to establish their own service standards  
B. Request that employees sign their timecards at the end of a pay period  
C. Ensure that employees wear clean uniforms during their shifts  
D. Require employees to respond to customer inquiries within 24 hours
19. Because Olivia is very happy with the quality of goods and services that she receives from the XOP Company, she provides the business with several referrals. This is an example of
- A. customer advocacy.      C. relationship buying.  
B. free advertising.      D. public relations.
20. Kemper Corporation continuously updates the firewalls on its web site to protect its customers' personal information from theft. Kemper's action helps build trust with its customers in relation to
- A. physical safety.      C. product tampering.  
B. online security.      D. calculation errors.
21. An important aspect of using technology in customer relationship management involves
- A. posting customer information on the business's web site.  
B. updating customer information in the computer database.  
C. allowing employees to have complete access to customer information.  
D. providing customers with excessive product information.
22. Which of the following are capital goods:
- A. Buildings, roads, and equipment      C. Roads, airplanes, and water  
B. Equipment, land, and minerals      D. Airplanes, minerals, and buildings
23. A problem on a drilling platform in the Gulf of Mexico has affected the amount of oil that is extracted and refined in the region. Because it is the summer travel season, the demand for gasoline is increasing; however, there is less gasoline available, and the prices for gasoline spike. What economic condition does this situation best describe?
- A. Scarcity      C. Opportunity cost  
B. Conservation      D. Input maximization

24. Although the Calvert Automobile Company produces 1,500 Model ZX sports cars annually, over 500,000 people want to purchase the car each year. The 1,500 individuals who are willing and able to pay the high price to obtain the cars have
- A. unit control.
  - B. absolute advantage.
  - C. market position.
  - D. buying power.
25. One reason that businesses use a matrix organizational design is to
- A. improve employee productivity.
  - B. share human resources.
  - C. segment areas of expertise.
  - D. standardize business tasks.
26. Which of the following factors have provided businesses with more opportunities to buy and sell products at the international level:
- A. Protectionism
  - B. Free-trade agreements
  - C. Language barriers
  - D. Strict safety standards
27. Which phase of the business cycle would most likely have an unfavorable effect on the business environment:
- A. Maturity
  - B. Expansion
  - C. Contraction
  - D. Remission
28. The government owns and operates most of the means of production and distribution in a country. The government establishes production quotas for businesses, sets products' prices, and tells workers what their wages will be. This is an example of a(n) \_\_\_\_\_ economic system.
- A. traditional
  - B. command
  - C. market
  - D. transitional
29. What are consumers doing when they purchase goods and services in a market economy?
- A. Making informed choices
  - B. Casting economic votes
  - C. Using resources efficiently
  - D. Determining what to produce
30. Every pay period, Sarah's employer withholds a certain percentage of her earnings, which her employer forwards to various government agencies. What type of tax is Sarah's employer withholding?
- A. Property
  - B. Estate
  - C. Income
  - D. Excise
31. Which of the following workers is most likely to be a member of a craft/trade union:
- A. A science teacher who works at a mid-size high school in a rural area of the Midwest
  - B. A housekeeping manager who works for a luxury hotel chain
  - C. A machinist who works for a large manufacturer that produces parts for farm equipment
  - D. A licensed stockbroker who works for a small financial firm
32. Which of the following situations is most likely to happen during a period of economic expansion:
- A. The government delays projects.
  - B. Consumer spending increases.
  - C. Businesses default on loans.
  - D. Unemployment rises.

33. The gross domestic product (GDP) is most likely to decrease when the
- A. consumer sector dramatically increases its spending on domestic goods and services.
  - B. government significantly decreases its spending on domestic goods and services.
  - C. business sector increases its production of goods and services.
  - D. consumer sector decreases its spending on imported goods and services.
34. When minimally skilled workers lose their jobs due to technological advancements that require specialized skills, what type of unemployment exists?
- A. Cyclical
  - B. Seasonal
  - C. Frictional
  - D. Structural
35. When Eddie became upset with a coworker during a business meeting, he threw his file down on the table, left the conference room, and slammed the door behind him. What was Eddie demonstrating?
- A. Neutral non-verbal behavior
  - B. Problem-solving techniques
  - C. Positive relationship-management skills
  - D. Low self-management skills
36. What tool is often helpful to individuals who want to increase their levels of self-esteem?
- A. Unwarranted criticism
  - B. Generalization statements
  - C. Visualization boards
  - D. Aggressive attitude
37. Which of the following is an example of discrimination in the workplace:
- A. Being denied a promotion on the basis of age
  - B. Being denied a job on the basis of skills
  - C. Requiring employees to wear a uniform
  - D. Requiring professional development and certification
38. As Ben assesses his personal strengths and weaknesses, what can he do to keep from focusing too much on his weaknesses?
- A. Develop a list of false generalizations
  - B. Compare himself to others
  - C. Identify one strength for every weakness
  - D. Ask others for critical feedback
39. What personal attribute involves feeling comfortable with your opinions and decisions, even when others criticize you for them?
- A. Social responsibility
  - B. Creative thinking
  - C. Self-confidence
  - D. Optimism
40. When Claire tells her supervisor that she made a mistake on the report that she recently submitted, she is demonstrating
- A. adaptability.
  - B. enthusiasm.
  - C. self-control.
  - D. honesty.
41. Which of the following is an example of a person demonstrating self-control:
- A. Corinne organized and straightened up the office workroom without being told to do so.
  - B. Madison expressed her understanding of Mrs. Paxton's complaint by nodding her head.
  - C. Chris was able to get the vendor to reduce the price of the materials by 10 percent.
  - D. Bill managed to keep his temper in check when Ali made comments that he didn't like.

42. What is an important thing to remember about change?
- A. It often takes time to feel comfortable with the change.
  - B. If you resist change, you can usually avoid it.
  - C. Change requires you to accept a high degree of risk.
  - D. A resistance to change is usually based on irrational fears.
43. Which of the following are secondary dimensions of diversity:
- A. Work experience, nationality, and age
  - B. Religion, work experience, and gender
  - C. Family status, ethnicity, and communication style
  - D. Income, family status, and education level
44. While making a presentation to a customer, Kip used complex terms that the customer didn't understand. In this situation, effective communication was hindered due to
- A. the customer's emotional intelligence. C. the use of jargon.
  - B. Kip's personal appearance. D. ongoing interruptions.
45. Janelle and Kirk are members of a work team and disagree about how to proceed with a new project. What type of conflict are Janelle and Kirk experiencing?
- A. Emotional
  - B. Functional
  - C. Internal
  - D. Secondary
46. What leadership quality involves demonstrating competence and reliability?
- A. Credibility
  - B. Creativity
  - C. Integrity
  - D. Adaptability
47. When Trish learned that her company was switching to a new computer-software program, she accepted the change and worked overtime to become familiar with the new program. Trish exhibited \_\_\_\_\_ behavior.
- A. adaptable
  - B. stubborn
  - C. passive
  - D. irresponsible
48. Which of the following is an example of organizational vision:
- A. A project leader generates team enthusiasm by stating, "We're the most efficient project team in the firm."
  - B. Techno-Electronics hopes to increase its market share by 15 percent in the next year.
  - C. Jiffy Parcel Service strives to provide the quickest, most reliable delivery service in the country.
  - D. The members of the production department work together to help the business lower its operating costs.
49. Nancy said, "That was a good try, Stanley. Next time you might want to take the opposite approach. You might find that it works better for you in these types of situations." This is an example of a coach providing
- A. ineffective criticism.
  - B. feedback for improvement.
  - C. a standard response.
  - D. continuous reinforcement.

50. Which of the following is an example of processing a transaction with a debit card:
- A. When Naomi purchased office supplies, she presented the cashier with a card that automatically withdrew funds from her business's checking account.
  - B. Tyler provided his card number and expiration date to the online-travel agency so he could obtain his airline tickets now and receive his bill for the tickets later.
  - C. After Ava finished her meal at an upscale restaurant, she presented the server with a card that provided Ava with a special discount off her bill.
  - D. Jayden purchased a new video game from Great Deal Electronics using a store-issued card given to him by his grandfather.
51. What form of currency is issued by the federal government?
- A. Paper money
  - B. Brokerage bills
  - C. Corporate bonds
  - D. Certified notes
52. After Mrs. Green provided the cashier with \$2.50 in cash and coins, she left the grocery store with a gallon of milk. In this situation, money is being used as a
- A. store of wealth.
  - B. medium of exchange.
  - C. negotiating tool.
  - D. bartering mechanism.
53. Emily has eight percent of her weekly paycheck placed in an employer-sponsored fund that she can access later in her life, when she is no longer working. Emily is planning for her
- A. retirement.
  - B. children's college education.
  - C. business venture.
  - D. estate's distribution.
54. When Jeremy develops his personal budget, he should categorize the money that he spends on food, clothing, and entertainment as
- A. relational outflows.
  - B. fixed costs.
  - C. variable expenses.
  - D. periodic investments.
55. On a pay stub, the total amount of money that a worker has earned for the pay period before deductions is listed as
- A. gross pay.
  - B. net pay.
  - C. tax-exempt income.
  - D. overtime income earned.
56. The following is written on the back of a check: "For deposit only; Maria Evans; Account #285655." This is an example of a(n) \_\_\_\_\_ endorsement.
- A. open
  - B. general
  - C. restrictive
  - D. congruent
57. Melissa writes checks to pay for her rent, utilities, and groceries; and she keeps a record of all these transactions in her check register. Keeping an accurate check register helps Melissa
- A. track the amount of money she has spent.
  - B. determine when she needs to add funds to her savings account.
  - C. understand the checking account's restrictions and fees.
  - D. decide when to order new checks.

58. When Armand is comparing his checkbook balance with his bank statement, he must make sure that he has subtracted the \_\_\_\_\_ from his checkbook.
- A. payroll deposits
  - B. accumulated interest
  - C. transaction fees
  - D. check numbers
59. When preparing a personal income tax form, parents report some of their childcare expenses to receive
- A. capital gains.
  - B. tax deductions.
  - C. dividends.
  - D. tax rebates.
60. Patrick wants to keep a certain amount of his money in a safe place in which he can earn interest on his savings, and also be able to withdraw his funds without experiencing sizable financial penalties. In what type of financial institution should Patrick consider placing his money?
- A. The stock market
  - B. A retail bank
  - C. A retirement fund
  - D. A holding company
61. What is the advantage of using generally accepted accounting principles?
- A. Reduces the need for the full disclosure of financial data
  - B. Allows businesspeople to summarize financial data differently
  - C. Presents financial information in a standard format
  - D. Identifies inconsistencies in business procedures
62. Accounting computer software programs increase the efficiency of accounting activities because they are used to
- A. monitor market share and summarize accounts payable data.
  - B. track payroll activities and develop annual reports.
  - C. create invoices and record customer payments.
  - D. organize tax records and produce presentations.
63. Which of the following are examples of cash outflows:
- A. Payroll, stocks, and product sales
  - B. Supplies, loans, and earned interest
  - C. Rent, utilities, and supplies
  - D. Utilities, sale of assets, and payroll
64. Which of the following is an example of an ethical dilemma that human resources managers may encounter:
- A. Hiring a friend or family member
  - B. Promoting a qualified employee
  - C. Recruiting job candidates online
  - D. Developing a pay scale for employees
65. Customers are more likely to spend a lot of time evaluating several options before buying a product when
- A. the need is immediate.
  - B. the product is perishable.
  - C. the product is expensive.
  - D. brand insistence is a factor.
66. The effective use of touch points can help a business to
- A. limit its exposure to economic risks.
  - B. minimize market share.
  - C. improve data-management processes.
  - D. strengthen its brand value.

67. Which of the following sources is most likely to contain timely information:
- A. A journal article about a medical breakthrough that was published a decade ago
  - B. A technical-trends report that was written on February 5, 2010
  - C. A stock table that appeared in a national newspaper on January 14, 2010
  - D. A second edition history textbook that contains a 2000 copyright date
68. Natalie is a research associate for a marketing-research firm who spends a lot of her time on the Internet to obtain various types of business information. Natalie can save time and easily return to web sites that she frequently visits by using the \_\_\_\_\_ tool on her Internet browser.
- A. classifying
  - B. highlighting
  - C. sorting
  - D. bookmarking
69. Which of the following is the primary computer-system tool used to input data:
- A. Software
  - B. Printer
  - C. Keyboard
  - D. Hardware
70. To use various software programs, a computer must have a(n)
- A. Internet connection.
  - B. operating system.
  - C. search-engine mechanism.
  - D. task toolbar.
71. What is one benefit that the Internet provides consumers?
- A. Provides a way to promote products
  - B. Makes it easier to comparison shop
  - C. Lessens the need for intermediaries
  - D. Reduces information overload
72. If Joe wants to respond to an e-mail message that he received from Natalie, he should first click on the \_\_\_\_\_ key.
- A. send
  - B. forward
  - C. reply
  - D. import
73. Which of the following is an example of a “stop” word that a search engine is most likely to ignore when retrieving query results:
- A. The
  - B. Cop
  - C. Sew
  - D. Hat
74. While typing a document using word-processing software, Janice decided that she wanted to move a paragraph from the first page to the second page of her business report. What actions should Janice use to efficiently move the text?
- A. Cut and paste
  - B. Copy and paste
  - C. Delete the text and retype it in the new location
  - D. Delete the text and copy it into a text box in the new location
75. When using presentation software, computer users can add visual and sound effects between slides that allow for an interesting
- A. lead.
  - B. feed.
  - C. jump.
  - D. transition.

76. The primary purpose of collaborative software applications in the business environment is to
- A. maintain authority.
  - B. interpret data.
  - C. archive old documents.
  - D. share information.
77. When developing a web page, it is best to
- A. leave space for banner ads.
  - B. incorporate a variety of fonts.
  - C. use short blocks of text.
  - D. avoid use of graphics.
78. Warehousing and shipping methods are operations considerations related to
- A. scheduling.
  - B. logistics.
  - C. maintenance needs.
  - D. expense control.
79. Production shortcuts that lower the durability of goods are unethical practices relating to
- A. insurance premiums.
  - B. product quality.
  - C. output rates.
  - D. inventory accuracy.
80. Why is it important for businesses to follow local health ordinances?
- A. To reduce the risk of widespread illness
  - B. To prevent accidents in the workplace
  - C. To protect the natural environment
  - D. To lower the need for medical care facilities
81. What can managers do to ensure that their employees are following the business's safety procedures in the workplace?
- A. Install security equipment
  - B. Monitor employees' computer usage
  - C. Conduct safety inspections
  - D. Include safety policies in the employee handbook
82. While Ken was heating up his lunch in the company's kitchen microwave oven, his food caught on fire. What is the most appropriate action for Ken to take?
- A. Use the kitchen fire extinguisher to put out the fire
  - B. Leave the kitchen to report the fire to his supervisor
  - C. Call 411 and request assistance from the fire department
  - D. Open the window for evacuation purposes
83. What is the advantage to a business that installs external surveillance cameras in prominent locations around its property?
- A. Reduces the risk of extortion
  - B. Discourages attempted burglaries
  - C. Eliminates the need to install alarms
  - D. Prevents armed robberies

84. In which of the following situations is a business most likely to experience a security breach?
- A. The technology coordinator regularly updates the antivirus software on all of the firm's computers.
  - B. A small business owner installs electronic locks and security windows in the company's warehouse.
  - C. The last employee to leave a business facility after business hours fails to set the security alarm.
  - D. A business employee uses a paper shredder to destroy business records that it no longer needs.
85. What type of computer program helps protect digital business information from the negative effects of malware?
- A. Cookies
  - B. Spyware
  - C. Firewalls
  - D. Shareware
86. What project-management activity involves determining when project tasks should be performed?
- A. Processing
  - B. Monitoring
  - C. Evaluating
  - D. Scheduling
87. Office supplies, computers, steel, and signage are examples of \_\_\_\_\_ resources that might be needed for projects.
- A. donated
  - B. support
  - C. tangible
  - D. perishable
88. What is likely to happen if a business fails to monitor its inventory of office supplies?
- A. Restocking fees decrease.
  - B. Restocking fees increase.
  - C. Employee productivity increases.
  - D. Employee productivity decreases.
89. Which of the following is an important question that a business should ask when selecting a vendor:
- A. What is our business's target market?
  - B. What computer program does the vendor use for its project management processes?
  - C. Does the vendor have the resources to consistently meet our business's needs?
  - D. What are our business's strengths and weaknesses?
90. Arm and Hammer baking soda, which was originally developed as a cooking ingredient, is now being sold as an effective refrigerator deodorizer. This is an example of \_\_\_\_\_ innovation.
- A. distributed
  - B. process
  - C. positioning
  - D. associative
91. Before you analyze the available information to solve a problem, it is important to
- A. brainstorm possible solutions.
  - B. identify and check your assumptions.
  - C. determine the best solution from several alternatives.
  - D. ask for input from your peers.



# **Principles of Business**

## **2010 EXAM | ANSWER KEY**

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1. D

Fraud. A tort is a private wrongdoing against another person. Businesses can be held responsible in a variety of torts. For example, suppose a business's employee intentionally provides misleading product information to a customer in order to make a sale. Then, the customer purchases and is injured by the product based on the employee's misleading information. The customer may file a civil lawsuit against the business, and in some situations, the business's employee for fraudulent behavior. Assault and intrusion are criminal acts that are addressed in the criminal court system rather than the civil court system. Defamation is a tort that involves harm to an individual's or business's reputation.

SOURCE: BL:069

SOURCE: McAdams, T., Neslund, N., & Neslund, K. (2007). *Law, business, and society* (8th ed.) [pp. 248-250, 252-254]. Boston: McGraw-Hill/Irwin.

2. D

Obtaining a loan from a bank. The debtor is the individual or business that owes money to another individual or business, which is the creditor. A business that obtains a loan from a bank is entering into a voluntary debtor-creditor relationship. It is voluntary because the business (debtor) is seeking to obtain funds from the bank (creditor) by going through a loan-application process. A monetary gift is given without expectations of repayment. A monetary gift and a request for information are not examples of debtor-creditor relationships. In tort cases, the court can order one party to pay punitive damages to the other party. This is an example of an involuntary debtor-creditor relationship.

SOURCE: BL:071

SOURCE: Business Owners Toolkit. (n.d.). *The debtor-creditor relationship*. Retrieved January 7, 2009, from [http://www.toolkit.com/small\\_business\\_guide/sbg.aspx?nid=P12\\_1110](http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P12_1110)

3. C

Control of conduct. Administrative law deals with the rules and regulations that have been established by governmental agencies. The legislative branch of the government (i.e., U.S. Congress and Canadian Parliament at the federal level) establishes these agencies, which have the authority to enact and enforce regulations for various administrative functions. One function administrative agencies carry out is the control of conduct, which includes information requirements (e.g., labeling), and codes of standards of various businesses and industries. For example, the agricultural agency establishes grades for food quality and sets standards for food safety. The legislative branch of government has authority to pass statutes (e.g., establish government agencies) and ratify treaties. The judicial branch of government has the authority over the appeals process in the court system.

SOURCE: BL:074

SOURCE: McAdams, T., Neslund, N., & Neslund, K. (2007). *Law, business, and society* (8th ed.) [pp. 316-318]. Boston: McGraw-Hill/Irwin.

4. D

Ask the department manager about the policy. If employees are not sure if they can or should work overtime, they should ask their department managers. Generally, department managers can authorize overtime for their subordinates. Departmental policies are not usually posted on the company's web site. Overtime policies often vary by department, so asking an employee who works in another department is not an appropriate action to take. If the department manager is unavailable, the employee might ask the human-resources manager about overtime policies.

SOURCE: CO:057

SOURCE: eHow.com. (n.d.). *How to create an overtime policy*. Retrieved February 4, 2010, from [http://www.ehow.com/how\\_2076457\\_create-overtime-policy.html](http://www.ehow.com/how_2076457_create-overtime-policy.html)

5. B

Nodding, smiling, and writing down the idea. By nodding, smiling, and writing down Kevin's idea, Kevin's supervisor would indicate that he likes what Kevin said. The supervisor could also indicate his/her support of Kevin's idea by asking follow-up questions, maintaining eye contact with Kevin, and enthusiastically telling Kevin that he has provided a great idea. Sarcasm, frowning, crossing arms, and cutting off the speaker are rude and unsupportive actions.

SOURCE: CO:082

SOURCE: Bovée, C. L., & Thill, J. V. (2008). *Business communication today* (9th ed.) [pp. 54-56]. Upper Saddle River, NJ: Pearson Prentice Hall.

6. B

What type of training do you provide for this position? Relevant questions are types of questions that pertain to the issue at hand. If an applicant is interviewing for a job, the applicant would ask the interviewer questions about the company, job responsibilities, job training, professional development, etc. It would be inappropriate to ask the interviewer about his/her salary, nearby restaurants, and sales-department shortfalls—these questions are irrelevant to the issue at hand.

SOURCE: CO:058

SOURCE: Cheesebro, T., O'Connor, L., & Rios, F. (2007). *Communication skills: Preparing for career success* (3rd ed.) [pp. 211-212]. Upper Saddle River, NJ: Pearson Prentice Hall.

7. B

Anger. Nonverbal cues are the elements of communication that use gestures and facial expressions rather than the use of words. Nonverbal behavior can indicate what the sender and/or the receiver think about a message. If the recipient responds to a message by frowning and clenching his/her fists, it is likely that the message has made the recipient angry. Message recipients might cry or cover their faces with their hands if the message contains sad news. Smiling and jumping up and down usually indicate that a message contains good news, which indicates joy. A message recipient might express nervousness by tapping their toes, shaking, twitching, or biting fingernails.

SOURCE: CO:059

SOURCE: Cheesebro, T., O'Connor, L., & Rios, F. (2007). *Communication skills: Preparing for career success* (3rd ed.) [pp. 46-47]. Upper Saddle River, NJ: Pearson Prentice Hall.

8. D

If you can wait a moment, I'll check for the price in the computer. Businesses receive inquiries from customers on a regular basis. In some situations, an employee may not know the answer to a customer's question. To provide good customer service, the employee should take the appropriate steps to obtain the requested information. This may involve verifying the price in the computer system or transferring a customer's telephone call to the sales department. Guessing the price, stating that s/he does not know the price, and telling the customer to contact another person are not legitimate responses to inquiries and do not provide customers with good customer service.

SOURCE: CO:060

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 119-121]. Boston: McGraw-Hill/Irwin.

9. D

Employees process information differently. Because there are different ways that people process information, it is important to consider those differences when providing employees with verbal directions. For example, audio learners are more comfortable with sound and dialog, so when giving directions, it is beneficial to speak clearly and use terminology that the listeners can relate to. Sometimes this involves using a metaphor or simile to make a point. Diagrams and pictures are often useful when providing directions to visual learners. For learners who are motion-oriented, demonstrating the activity often reinforces the verbal explanation and makes it easier for employees to understand. This might include an actual demonstration or a video of a demonstration. It's always a good idea to ask the employees if they understand the directions because they may be too embarrassed to ask questions—even if they are confused. Presenting the directions in reverse order may confuse the employees.

SOURCE: CO:083

SOURCE: Bock, W. (2006, September 20). *How to give better instructions*. Retrieved February 3, 2010 from <http://ezinearticles.com/?How-to-Give-Better-Instructions&id=305933>

10. B

Present supporting research for her suggestions in an unbiased way. By providing supporting facts, Morgan can actually show the staff how and why her ideas can improve the department's productivity. If Morgan presents research that indicates that other companies' productivity levels have improved by using approaches similar to the one that she is suggesting, then she is defending her ideas effectively. Telling Jacob in front of the group that his ideas are weak is likely to create unnecessary conflict. Restating suggestions, coming up with new ideas, and asking other group members for input are not ways to defend an existing suggestion for improvement.

SOURCE: CO:061

SOURCE: Micalka, J. (2007). *Speaking for success* (2nd ed.) [p. 132]. Mason, OH: Thomson South-Western.

11. C

Chronological. When describing a process or historical information, the writer may need to present the facts in chronological order. By describing the steps or events in the sequence in which they occur, the writer is presenting the information in a logical manner, which helps the readers understand the content. When presenting information in an inverted order, the writer is describing the steps or processes in reverse order. Concurrent means that activities are being performed at the same time.

SOURCE: CO:086

SOURCE: Blake, G. (2002, August). *How to organize information*. Retrieved January 8, 2010, <http://www.irmi.com/expert/articles/2002/blake08.aspx>

12. C

Flowchart. A flowchart presents a visual depiction of activities or processes in sequential order. Flowcharts use text in a graphic format to present activities and processes. An example of a flowchart is an organizational chart, which depicts the hierarchy of positions and departments within an organization. A pie chart is a graphic aid that shows the frequency or distribution of parts in relation to a whole concept. A bar chart compares two or more variables in a graphical format. A geographic map is an illustration that shows the physical attributes (i.e., mountains, rivers) of a location or region.

SOURCE: CO:087

SOURCE: Bovée, C. L., & Thill, J. V. (2008). *Business communication today* (9th ed.) [p. 379]. Upper Saddle River, NJ: Pearson Prentice Hall.

13. B

Proofread the message for spelling and grammatical errors. Although many people view e-mail as an informal method of communication, it is a vital communication tool in today's business world. Therefore, it is important to maintain a professional tone when developing business-related e-mails. The text in a professional e-mail should contain proper grammar and correct spelling. To ensure that the message does not contain spelling and grammatical errors, the businessperson should proofread the message and make necessary corrections before sending the message to the intended receiver. Only the most critical e-mail messages should be sent as high priority messages. Capitalizing all of the letters in the text often implies an angry tone, so this practice should be avoided. Although the subject line should be brief, it should contain enough information for the message recipient to determine the message content. If the subject line is too vague, the recipient may delete the message before reading it.

SOURCE: CO:090

SOURCE: Bovée, C. L., & Thill, J. V. (2008). *Business communication today* (9th ed.) [pp. 184-185]. Upper Saddle River, NJ: Pearson Prentice Hall.

14. D

Informative message. The purpose of an informative message is to provide the recipient with knowledge, facts, or data. A letter stating that a business will be offering discounts on certain products for a specific timeframe is providing the message recipient with knowledge and facts about a sale. A letter of inquiry is a request for information. Instructions provide information about the process or activities needed to complete an activity. The example provides facts rather than personal opinions.

SOURCE: CO:039

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3rd ed.) [p. 286]. Mason, OH: Thomson South-Western.

15. A

Executive summary. The executive summary provides an overview of the entire report and contains the most important information included in the body of the report. When businesspeople have time constraints, they often read the executive summary of a lengthy report. The table of contents is the portion of the report in which the various report sections are listed with their page numbers for easy access. The appendices are segments that are added to the end of the report and provide supporting information. The conclusion section of the report summarizes results and in some reports, this section includes recommendations for a certain course of action.

SOURCE: CO:091

SOURCE: Bovée, C. L., & Thill, J. V. (2008). *Business communication today* (9th ed.) [pp. 456, 461, 474]. Upper Saddle River, NJ: Pearson Prentice Hall.

16. C

Formal, downward. Downward communication occurs when management sends messages to lower-level employees. Formal communication involves following a specific protocol or systematic process when transmitting messages. In the example, the human-resources manager communicates changes that affect all employees because it is an aspect of his/her job. Therefore, the human-resources manager is following the protocol as indicated in his/her job description. Lateral communication occurs among employees (e.g., coworkers) at the same level. Mass communication involves simultaneous transmission of nonpersonal messages to members of a large market segment. Upward communication occurs when lower-level employees send messages to management.

SOURCE: CO:092

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 8-9]. Boston: McGraw-Hill/Irwin.

17. C

Offend the clients. Businesspeople should try to learn as much as they can about a client's culture, customs, and social values. By understanding and being aware of cultural differences, businesspeople can adapt their communication styles to make a positive impression on their clients, earn their clients' trust, and persuade their clients to buy. Businesspeople who adapt their communication styles are aware of actions that a particular client might view as hospitable, as well as behaviors that the client might find offensive. Offensive behaviors can hinder the ability to build long-term relationships with international clients.

SOURCE: CR:019

SOURCE: Buckler, C., & Moore, K. (n.d.). *Module 3: Cross-cultural communication*. Retrieved February 4, 2010, from [http://www.ookpik.org/pdf/cross\\_cultural\\_coms.pdf](http://www.ookpik.org/pdf/cross_cultural_coms.pdf)

18. D

Require employees to respond to customer inquiries within 24 hours. A business's employees can have a dramatic impact on the ways in which customers view the business. If one customer has a poor experience with one employee, that customer often develops a poor attitude about the entire business. And, that customer often shares those negative opinions with others. Therefore, a business should take steps to ensure that its employees understand how their actions affect the business's image. Businesses often develop policies to ensure that employees are engaging in behaviors that support the company's image. Because WNJ wants to project an image of being responsive to its customers' needs, it developed a policy that employees must respond to inquiries within 24 hours. This may include a quick phone call just to tell the customer that the business is working on a problem or issue. Requiring signed timecards is a personnel policy rather than a way to reinforce the business's public image. Although clean uniforms can affect the business's image, the uniforms do not indicate how responsive the business is in meeting its customers' needs. Because individuals often have different perspectives about excellent service, it is not a good idea to allow employees to set their own service standards.

SOURCE: CR:002

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 222, 244-245]. Upper Saddle River, NJ: Prentice-Hall.

19. A

Customer advocacy. An advocate is a supporter of something—a person who speaks favorably about an idea, concept, cause, product, or business. When customers are happy with a business and its goods and services, they tend to become advocates for the business. Customers advocate for a business by providing referrals and through word-of-mouth (e.g., telling friends or blogging about the business). Advertising is any paid form of nonpersonal presentation of ideas, goods, or services. A television commercial is an example of advertising. Relationship buying refers to the purchases a customer makes because of a long-term relationship s/he has established with a business. Public relations is the business function designed to establish good relations between the business and its various publics.

SOURCE: CR:016

SOURCE: CR LAP 2—Know When to Hold 'Em (Nature of Customer Relationship Management)

20. B

Online security. To build and maintain long-term relationships with customers, a business must earn its customers' trust. To earn its customers' trust, a business must take steps to ensure that any personal information (e.g., credit-card numbers) transmitted through its web site is secure from unauthorized individuals (e.g., hackers). One way to ensure online security is to maintain and continuously update its firewall software. The process of updating firewall software is not related to a person's physical safety, product tampering, or calculation errors.

SOURCE: CR:017

SOURCE: Peppers, D. & Rogers, M. (2004). *Managing customer relationships: A strategic framework* (pp. 231, 240). Hoboken, NJ: John Wiley & Sons, Inc.

21. B

Updating customer information in the computer database. Customer relationship management (CRM) is the combination of strategies, processes, and policies that a business uses to meet or exceed customer expectations and to provide customers with outstanding experiences at every touch point. An important aspect of CRM is ensuring that customer data are current. For example, if the customer notifies the business about a change of address and the business does not update its computer database to reflect the change, the business's promotional mailings and invoices will not reach the customer in a timely manner, if at all. In another situation, a business might have multiple database records for one customer. If the business sends multiple (excessive) copies of promotional materials (e.g., product catalog) to the customer based on the data in the database, the customer may become annoyed. Sending multiple copies of a single mailing to one customer is also a waste of the business's money. To maintain the customer's privacy, the business should not post customer information on its web site, nor should it allow its employees to have complete access to a customer's confidential information.

SOURCE: CR:018

SOURCE: Perreault, W. D., Cannon, J. P., & McCarthy, E. J. (2008). *Basic marketing: A marketing strategy planning approach* (16th ed.) [pp. 80-81]. Boston: McGraw-Hill/Irwin.

22. A

Buildings, roads, and equipment. Capital goods are manufactured or constructed items that are used to produce goods and services and are provided by people. Examples of capital goods are buildings, roads, equipment, and airplanes. These items are capital goods because they enable producers to operate businesses and to make goods available to customers. Land, minerals, and water are natural resources. Natural resources are items that are found in nature and used to produce goods and services.

SOURCE: EC:003

SOURCE: Burrow, J.L. (2006). *Marketing: Instructor's wraparound edition* (2nd ed.) [pp. 273, 275]. Mason, OH: Thomson/South-Western.

23. A

Scarcity. Scarcity is a condition resulting from the gap between unlimited want for goods (e.g., gasoline) and limited resources (e.g., oil). Because there is not enough of a resource (oil) to produce the desired product (gasoline), supply declines. When demand for a product increases and supply for the product decreases, scarcity occurs. Exchange is the process of trading one good or service for something else of value. Conservation is the preservation and protection of resources. Opportunity cost is the benefit that a person loses when s/he decides to use scarce resources (e.g., money) for one purpose rather than for another. Inputs are the resources used in producing goods and services. When a business uses all of the available inputs in the most efficient way to produce outputs, it is maximizing its inputs and outputs. Because there is a problem on the drilling platform, the inputs are not being used efficiently or to the best of their ability.

SOURCE: EC:001

SOURCE: Sexton, R.L. (2003). *Essentials of economics* (pp. 24-26). Mason, OH: South-Western.

24. D

Buying power. The Calvert Automobile Company situation is an example of rationing. Rationing is a function of relative prices that determines who gets the goods produced or how scarce resources will be distributed. In this situation, the 1,500 out of 500,000 individuals who are willing and able to pay a very high price to obtain the sports car have buying power—the ability (financial resources) to purchase the scarce item. Absolute advantage is the advantage achieved when a nation can produce a good or service for less than another nation. Market position is the rank of a particular business in a specific market. Unit control is a way of keeping track of inventory according to the number of units in stock.

SOURCE: EC:006

SOURCE: Clayton, G.E. (2005). *Economics: Principles & practices* (pp. 137-140). New York: Glencoe/McGraw-Hill.

25. B

Share human resources. The matrix organizational structure involves integrated departmental functions with product or project orientation. For example, a technology specialist, a marketing researcher, a financial advisor, and a manufacturing line supervisor are members of different departments but often work together to develop a product or improve a process. The advantage to businesses of using this organizational structure is that the business is applying its resources efficiently because a representative from each of the major departments provides a unique set of skills and knowledge to achieve the business's goals. Often, workers have two or more supervisors in the matrix organizational design. The matrix organizational design may improve the business's overall efficiency, but it does not always improve an individual's productivity. Departmental organizational design segments employees by their areas of expertise (e.g., accounting, sales, and production). Policies and procedures are developed to standardize various business activities and tasks in all types of organizational designs.

SOURCE: EC:103

SOURCE: Griffin, R.W., & Moorhead, G. (2010). *Organizational behavior: Managing people and organizations* (9th ed.) [pp. 453-455]. Mason, OH: South-Western Cengage Learning.

26. B

Free-trade agreements. Free-trade agreements lessen the trade restrictions (e.g., tariffs, quotas, licenses) among countries. For example, the North American Free Trade Agreement (NAFTA) is a trade agreement among the United States, Canada, and Mexico that has eliminated trade barriers. When fewer trade barriers exist, there are more opportunities for businesses to buy and sell products in other countries. Protectionism is a government's policy to protect domestic industries and businesses against foreign competition. Protectionism, language barriers, and strict safety standards often hinder a business's ability to enter international markets.

SOURCE: EC:104

SOURCE: Awuah, G. (2009, May). *The impact of global and trade liberalization on competitiveness of firms in less developed countries: A longitudinal study*. Retrieved February 1, 2010, from [http://findarticles.com/p/articles/mi\\_6773/is\\_3\\_9/ai\\_n39236690/](http://findarticles.com/p/articles/mi_6773/is_3_9/ai_n39236690/)

27. C

Contraction. Businesses are affected by external factors, which include changes in the business cycle. The business cycle refers to the periods of expansion and contraction in economic conditions. When the economy is strong and growing (expansion), businesses tend to make profits, expand operations, and hire more employees. When the economy is on a downswing (contraction), businesses often experience lower sales and profits, which has an unfavorable effect on the business. If a business's sales and profits continue to decrease over time, it may lay off workers to cut costs, so it can continue to operate. Maturity is a stage in a product's life cycle. Remission is not a phase in the business life cycle.

SOURCE: EC:105

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p.152). New York: Glencoe/McGraw-Hill.

28. B

Command. A command economic system is an economic system in which all or many of the means of production and distribution are owned and controlled by the government. An economic system in which people produce only what they must have in order to exist is called a traditional economic system. In a market economy, individuals and businesses in the marketplace determine what, how, and for whom goods and services will be produced. When a country's economic system is moving from one type of economic system to another type of economic system, it is in a transitional state.

SOURCE: EC:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 54-58). Woodland Hills, CA: Glencoe/McGraw-Hill.

29. B

Casting economic votes. An economic vote is consumer approval of products expressed by the purchase of the products. When consumers purchase a lot of a particular product, they are expressing their need or want for the product. It also indicates that they are willing to pay a certain price to obtain the product. Purchasing certain products does not mean that consumers are making informed choices or using their resources efficiently. For example, an individual may purchase an expensive flat-screen television without knowing anything about the television or its manufacturer. The same individual may decide to purchase the television instead of something s/he really needs. When this occurs, the individual is not making informed decisions nor is s/he using his/her financial resources wisely. Businesses rather than consumers determine what to produce. Businesses determine what to produce by monitoring what consumers are buying.

SOURCE: EC:009

SOURCE: EC LAP 15—People Power (The Private Enterprise System)

30. C

Income. Income taxes are levied on income earned from a job or other sources. Employers withhold income tax from their employees' paychecks, and submit the monies to the government at certain intervals. Estate tax is paid on inherited property valued above a certain amount. Property taxes are paid on land and buildings. An excise tax is often referred to as a "sin tax," and it is levied on nonessential products such as gasoline, cigarettes, and alcohol.

SOURCE: EC:072

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 381-382). New York: Glencoe/McGraw-Hill.

31. C

A machinist who works for a large manufacturer that produces parts for farm equipment. Because a machinist has specialized skills, s/he is likely to be a member of a craft/trade union. A person who works in a specific industry (hotel) is likely to be a member of an industrial union. A teacher is most likely a member of a teacher's union, which is a type of independent union. A licensed stockbroker is most likely a member of a professional organization.

SOURCE: EC:015

SOURCE: The Free Dictionary. (2009). *Trade union*. Retrieved November 13, 2009, from <http://legal-dictionary.thefreedictionary.com/Trade+Union>

32. B

Consumer spending increases. Business cycles, which are the periods of expansion and contraction in economic activities, affect businesses, consumers, and the government. During a period of expansion, unemployment levels drop because businesses are expanding and need workers to perform jobs to support production increases. When people are working, they have income to spend on goods and services, so their spending increases. The government is more likely to delay projects and businesses are more likely to default on loans during the recession and trough phases of the business cycle.

SOURCE: EC:081

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 62-67). Woodland Hills, CA: Glencoe/McGraw-Hill.

33. B

Government significantly decreases its spending on domestic goods and services. Gross domestic product (GDP) is the final total value of all goods and services produced within a country's geographic boundaries during a year's time. Changes in the business cycle and how the government responds to those changes affect a nation's GDP. When the business cycle enters a period of contraction, unemployment tends to increase, and consumers tend to spend less money, which affects the amount of tax revenue the government obtains. When the government has less money, it often cuts government-sponsored initiatives and programs, many of which are outsourced to the private sector. When the economy rebounds and enters a period of expansion, businesses increase production; and the government, consumer, and business sectors increase their spending. Imported goods are not a consideration when measuring the GDP.

SOURCE: EC:017

SOURCE: O'Sullivan, A., & Sheffrin, S.M. (2003). *Economics: Principles in action* (pp. 391-392). Upper Saddle River, NJ: Prentice Hall.

34. D

Structural. Structural unemployment results when people do not have the job skills for jobs that currently exist. Because technology has evolved at a rapid rate over the past several decades, many jobs that were once performed manually or with minimal training have been replaced with automated systems or with jobs requiring special skills. Seasonal unemployment occurs when people are out of work because of factors that involve the time of year. Frictional unemployment describes people who are temporarily between jobs due to layoffs, resignations, or educational pursuits. These people often have the skills and training they need to work but are unemployed. Cyclical unemployment occurs during periods of time when there is low demand for workers due to economic conditions and fluctuations in the business cycle.

SOURCE: EC:082

SOURCE: Miller, R.L. (2005). *Economics: Today and tomorrow* (p. 453). New York: Glencoe/McGraw-Hill.

35. D

Low-self management skills. Emotional intelligence is the ability to recognize and manage emotions in ourselves and in others. Because Eddie threw his file down, left the room, and slammed the door behind him, he was not effectively managing his emotions. Eddie's non-verbal behavior indicated that he lacked self-control in this particular situation. An individual with good relationship-management skills works to effectively solve problems by exhibiting empathy, flexibility, and self-control.

SOURCE: EI:001

SOURCE: EI LAP 6—EQ and You (Emotional Intelligence)

36. C

Visualization boards. Self-esteem is the way you feel about yourself at any given time. A characteristic of high self-esteem includes a positive belief in your own talents, skills, and goals, and your ability to use your talents and skills to accomplish your goals. Visualization is a technique that can help increase self-esteem. Visualization is the practice of imagining yourself in possession of a present or desired attribute or thing. To facilitate this practice, you might create a visualization board. The board consists of images and words that reinforce your desires or goals, and help you feel positive about your abilities to accomplish your goals. Frequently looking at the visualization board can help you to develop positive feelings about yourself and your abilities, which can affirm your self-esteem. Unwarranted criticism and generalization statements such as, "I always make stupid mistakes," tends to lower self-esteem. An assertive attitude rather than an aggressive attitude is more likely to increase self-esteem.

SOURCE: EI:016

SOURCE: Boertjens, C. (2007, January 24). *How to create a vision board and attract your goals*. Retrieved December 21, 2009, from <http://ezinearticles.com/?How-To-Create-A-Vision-Board-And-Attract-Your-Goals&id=430204>

37. A

Being denied a promotion on the basis of age. Discrimination is the unfair treatment of a person or a group based on the person's or group's characteristics, such as ethnicity, religion, gender, and age. It is not only unfair to deny a promotion to a qualified candidate because of his/her age, it is illegal in some jurisdictions. Not hiring a person who lacks the skills to perform the work, requiring employees to wear a uniform, and requiring professional development and certification for certain positions are not forms of discrimination.

SOURCE: EI:017

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [pp. 108-109]. Mason, OH: South-Western Cengage Learning.

38. C

Identify one strength for every weakness. Although an important aspect of self-assessment is evaluating your weaknesses, obsessing over them will only discourage you. If you identify one strength for every weakness, you will have a more accurate, realistic assessment of yourself. Comparing yourself to others and making false generalizations may also hinder your ability to accurately assess yourself. Asking others for both positive and negative feedback is an important aspect of the self-assessment process, but it is counter-productive to obsess over the negative feedback.

SOURCE: EI:002

SOURCE: EI LAP 17—Assess for Success (Assessing Personal Strengths and Weaknesses)

39. C

Self-confidence. Self-confidence is a positive belief in your own talents, skills, and objectives. Self-confident people adhere to their personal code of ethics, even when others do not agree with or are critical of those opinions, decisions, or behaviors. Creative thinking involves the use of the creative-thinking process to generate unique ideas, approaches, or solutions. Social responsibility is the duty of business to contribute to the well-being of society. Optimism is a positive attitude.

SOURCE: EI:023

SOURCE: Mind Tools. (n.d.). *Building self-confidence*. Retrieved December 7, 2009, from <http://www.mindtools.com/selfconf.html>

40. D

Honesty. Honest people tell the truth, even when it may cause problems for them. By accepting responsibility for her own actions and telling her supervisor about the mistake she made, Claire is being truthful. Enthusiasm involves showing a great deal of interest in something. Self-control is restraint of your feelings, words, and actions. Adaptability is the ability to adjust to changing conditions.

SOURCE: EI:022

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (p. 69). Tinley Park, IL: Goodheart-Willcox.

41. D

Bill managed to keep his temper in check when Ali made comments that he didn't like. Self-control is the restraint of your feelings, words, and actions. Because Bill didn't yell at Ali or stomp out of the room when she made comments that he didn't like, Bill was exhibiting self-control. Madison was engaging in active listening by using nonverbal language to indicate her understanding to the message sender. Chris was demonstrating his negotiation skills. Corinne was taking initiative.

SOURCE: EI:025

SOURCE: EI LAP 14—Control Yourself! (Self-Control)

42. A

It often takes time to feel comfortable with the change. Everyone experiences change—it's unavoidable. To adapt to the change, it is important to remember that it often takes time to feel comfortable with the change, which depends on the person and the situation. Being patient and recognizing your feelings will help you better adapt to the change. Resisting change often makes the change more difficult. Often, fear drives the resistance to change and may be valid or irrational. All change involves a certain level of risk, but the level of risk depends on the change involved.

SOURCE: EI:026

SOURCE: Dalton, M., Hoyle, D.G., & Watts, M.W. (2006). *Human relations* (3<sup>rd</sup> ed.) [pp. 346-349]. Mason, OH: South-Western Cengage Learning.

43. D

Income, family status, and education level. Secondary dimensions of diversity are differences that may change at various points throughout one's lifetime and include such characteristics as language, religion, income, geographic location, family status, communication style, and education level. Primary dimensions of diversity are inborn differences that cannot be changed and affect a person's entire life and include such characteristics as age, gender, race/ethnicity, nationality, physical traits, and abilities (both mental and physical).

SOURCE: EI:033

SOURCE: EI LAP 11—Getting To Know You (Cultural Sensitivity)

44. C

The use of jargon. Effective communication requires that the receiver clearly understands the speaker's message. Jargon is a specialized language known only to a certain group of people. Different industries use jargon or terms that those who work in other industries do not always understand. When the receiver does not understand the speaker's jargon, a barrier exists that hinders effective communication. Effective communication in the example was not hindered because Kip dressed or looked unusual or because the customer lacked emotional intelligence. Ongoing interruptions, such as multiple phone calls, may hinder effective communication; however, the situation does not indicate that communication was interrupted.

SOURCE: EI:007

SOURCE: Cheesebro, T., O'Connor, L., & Rios, F. (2007). *Communication skills: Preparing for career success* (3rd ed.) [p. 230]. Upper Saddle River, NJ: Pearson Prentice Hall.

45. B

Functional. Functional conflict occurs when people disagree about something tangible or concrete. In many of these types of situations, the people involved agree on a goal but have different approaches to the situation—such as the best way to proceed with a new project. Emotional conflict involves a disagreement about different beliefs, values, and experiences. Internal conflict occurs within one's self. Secondary conflict involves disagreeing thoughts or ideas that relate to the primary or major disagreement or area of concern.

SOURCE: EI:015

SOURCE: EI LAP 7—Stop the Madness (Conflict Resolution in Business)

46. A

Credibility. Credibility is how much people believe what you say. People are more likely follow a leader if they believe what you say. To establish credibility, you must be able to do what needs to be done, which is demonstrating competence. Credibility also involves doing what you say you will do, which demonstrates that you are reliable. Creativity is the ability to generate unique ideas, approaches, and solutions. Integrity is adhering to an established set of personal ethics and sound moral principles. Adaptability is the ability to adjust to changing conditions.

SOURCE: EI:009

SOURCE: EI LAP 16—Lead the Way (Concept of Leadership)

47. A

Adaptable. An adaptable person has the ability to adjust to changing conditions. To adjust to changes, a person must accept the fact that changes happen all the time under many types of circumstances. Once you accept that changes happen all the time, you learn to feel more comfortable when changes occur. In the example, Trish was adaptable because she understood that changes occur at work, and she took steps to adjust to the change by working overtime to become familiar with the new computer program. A stubborn person might resist change for a variety of reasons such as fear, contentment, or a lack of trust. Not only did Trish exhibit adaptable behavior, she exhibited assertive, responsible behavior by working to become familiar with the software.

SOURCE: EI:006

SOURCE: QS LAP 15—Stuff Happens

48. C

Jiffy Parcel Service strives to provide the quickest, most reliable delivery service in the country. Organizational vision refers to the future a company's leaders desire to create and achieve this vision, Jiffy's leaders and its employees must take specific actions (e.g., set goals, develop efficient processes) to achieve the organizational desire to provide the quickest most reliable service in the country. Management must communicate the organizational vision to employees, so they understand their roles and perform their duties in ways that work toward achieving the organizational vision. Techno-Electronics set a specific sales goal. A project leader who tells his/her team that it is the most efficient project team in the firm is using positive reinforcement to maintain or boost morale. Departmental members working together to lower business costs are exhibiting teamwork.

SOURCE: EI:060

SOURCE: EI LAP 13—Vision Quest (Enlisting Others in Vision)

49. B

Feedback for improvement. A coach is a person who enables others to reach their true potential by helping them to overcome the barriers that are keeping them from doing so. Effective coaches help their coachees set goals and provide them with support and feedback. Providing feedback is important because coachees need to know what they are doing right, what they are doing wrong, and how they can improve their performance. By suggesting that Stanley try another approach, Nancy is encouraging him and providing an alternative course of action to improve his performance. There is not enough information provided in the example to determine if Nancy's feedback is a standard response or if Stanley acts on Nancy's advice. If Stanley chooses not to follow through with Nancy's advice, the feedback would be considered ineffective. A good coach will provide encouragement; however, in this example there is not enough information provided to determine if Nancy reinforces or supports Stanley on a continuous or ongoing basis.

SOURCE: EI:041

SOURCE: QS LAP 7—Bring Out the Best (Coaching)

50. A

When Naomi purchased office supplies, she presented the cashier with a card that automatically withdrew funds from her business's checking account. A debit card is a common method of payment for goods and services. Issued by financial institutions (e.g., banks), a cardholder scans the card into a machine at the point of sale. The information is transmitted to the appropriate location, and the funds are electronically transferred from the cardholder's checking or savings account to the seller's account. Credit is the arrangement in which businesses and individuals can purchase now and pay later. Individuals and businesses can obtain the goods and services that they need right away, such as airline tickets, and then pay for the tickets when they receive their statements from their lending institutions. Some businesses offer membership or customer-loyalty cards, which provide their members or customers with product discounts. Gift cards are store-issued vouchers that a gift giver can purchase for another person to use to buy the store's products.

SOURCE: FI:058

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 140]. New York: McGraw-Hill Irwin.

51. A

Paper money. Currency is the paper or metal (coin) money that individuals and businesses use to buy and sell goods and services. Paper money and coins are issued by a country's government. Corporate bonds are bonds issued by corporations to fund operating expenses. Governments do not issue brokerage bills, and certified notes are not forms of currency.

SOURCE: FI:059

SOURCE: Giese, B. (2009, February 22). *World paper money: How many countries currently issue paper money?* Retrieved February 1, 2010, from <http://stason.org/TULARC/recreation/paper-money/4-6-World-Paper-Money-How-many-countries-currently-issue-p.html>

52. B

Medium of exchange. A medium of exchange is something of value that can be used to obtain goods and services. Money is a common form of exchange. Individuals, businesses, and governments use money to purchase the products (e.g., milk) they need. When money is saved rather than spent, it is functioning as a means of accumulating wealth. Negotiating is the process of resolving a disagreement. Bartering involves trading one good or service for another good or service.

SOURCE: FI:060

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 34-35). Tinley Park, IL: Goodheart-Willcox.

53. A

Retirement. People save for retirement to have money to cover their expenses when they reach retirement age and are no longer working. Emily might be able to borrow money from her retirement fund to help cover educational expenses or to start a business, which depends on the type of fund and government regulations. Borrowing from a retirement account might involve fees and high interest rates, so it is often better to set up a fund specifically for education or to borrow money from a financial institution or angel investor to start a business. A will is a legal document that designates the ways in which an individual's estate is to be distributed upon his/her death.

SOURCE: FI:064

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 568-569]. New York: McGraw-Hill Irwin.

54. C

Variable expenses. A budget is an estimation of income and expenses. Developing a personal budget helps individuals better manage their money. Variable expenses are expenses that change from month to month, such as food, clothing, and entertainment expenses. Fixed expenses are expenses that do not change every month, such as rent and loan payments. Relational outflows and periodic investments are not budgetary categories.

SOURCE: FI:066

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 89]. New York: McGraw-Hill Irwin.

55. A

Gross pay. Gross pay is the total income earned for the pay period before income taxes and other deductions are subtracted from the wages. Net pay is the amount of money that the worker receives after the taxes and other deductions have been subtracted from his/her wages. Tax-exempt income includes revenues that are not taxed such as tax refunds, veteran's benefits, and welfare benefits. Overtime income is the amount of money that an hourly worker earns for working more hours than s/he is normally scheduled to work.

SOURCE: FI:068

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 611, 613). New York: Glencoe/McGraw-Hill.

56. C

Restrictive. Banks require checks to be endorsed before processing. Endorsement involves signing the back of the check, which allows the funds to be transferred from the check source to the payee. There are different types of endorsements. A restrictive endorsement limits how the check can be processed. In the example, the check can only be deposited to the endorser's (Maria) specified account. The check cannot be cashed or placed into another account. A general endorsement allows the endorser to cash the check or deposit it into the account of his/her choice—there are no restrictions placed on the funds transfer. Open and congruent endorsements are fictitious terms.

SOURCE: FI:560

SOURCE: American Bankers Association (2005). *Today's teller: Developing basic skills* (pp. 22-24). Washington: Author.

57. A

Track the amount of money she has spent. A check is a negotiable instrument or bank draft made payable to a specific party for a specific amount of money. A check serves as a written promise to the check bearer that money is available in the issuer's bank account. Checks are a common form of financial exchange. Both individuals and businesses use checks to pay goods and services such as rent, utilities, food, and supplies. When writing a check, an individual or business keeps a check register that records information about the transaction. This information includes the date the check is written, to whom the check is made payable, the amount of the check, and the check number. The register is a central location to record and track all of the checks written and the amount of money spent. Check registers do not help the check issuers determine when to add funds to a savings account, understand the checking account's restrictions and fees, or decide when to order new checks.

SOURCE: FI:069

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 143-145). New York: Glencoe/McGraw-Hill.

58. C

Transaction fees. Reconciling bank statements involves comparing the entries in a checkbook with the entries listed on the bank statement. It is important to make these comparisons to determine inconsistencies and mistakes. If a check is not recorded correctly, and if the mistake is not caught, the individual runs the risk of having insufficient funds in his/her checking account, which results in bounced checks. Some financial institutions charge transaction fees for checking accounts, so it is important to make sure that those fees are subtracted from the checking account balance. Accumulated interest and payroll deposits are added to the checking account balance rather than subtracted from it. Check numbers are not subtracted from the checkbook when reconciling bank statements and checkbook balances.

SOURCE: FI:070

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 146-147). New York: Glencoe/McGraw-Hill.

59. B

Tax deductions. Tax deductions are expenses that can be subtracted from gross income. For example, working parents can deduct or subtract a certain amount of their incomes for the childcare expenses they incur while at work. Other examples of tax deductible expenses include college tuition, home mortgage interest, and charitable donations. Capital gains are taxes on earnings from the appreciation of an investment. Dividends are a portion of a company's profits that are paid to shareholders. A rebate is a part of the price that a customer pays for a good or service, which is usually offered by the product's manufacturer.

SOURCE: FI:074

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 394). New York: Glencoe/McGraw-Hill.

60. B

A retail bank. Retail banks provide a variety of financial services, including savings and checking accounts for individuals. Opening a savings account with a properly insured bank will provide Patrick with a safe place to keep his money, and he will earn interest on the money that he places in his savings account. Patrick will also be able to remove money to pay bills without incurring the financial penalties he might experience if he borrowed money from his retirement fund. Investing in the stock market involves risk; however, Patrick may earn dividends on stocks that perform well. A holding company (parent company) is a business that owns the majority of another company's shares of stock.

SOURCE: FI:075

SOURCE: Strand, R. W. (2002). *Banking today: Learner's handbook* (pp. 38-39). Washington: American Bankers Association.

61. C

Presents financial information in a standard format. Generally accepted accounting principles (GAAP) are rules that accountants use to prepare and summarize financial reports. Because accountants use the same standards and rules, accounting information is consistent and clear to all of the people who read, interpret, and work with financial information. Summarizing data in different ways and identifying inconsistent business procedures are not advantages of using GAAP. To be in compliance, businesses must fully disclose important financial data.

SOURCE: FI:086

SOURCE: Guerrieri, D.J., Haber, F.B., Hoyt, W.B., & Turner, R.E. (2004). *Accounting: Real-world applications & connections* (First-Year Course) [pp. 33-34]. New York: Glencoe/McGraw-Hill.

62. C

Create invoices and record customer payments. Accounting software programs perform a variety of accounting activities that streamline accounting processes, which makes them more efficient. Accounting software allows businesses to create invoices, record customer payments, track payroll activities, summarize accounts payables, and organize tax records. Businesses use word-processing software to produce annual reports and presentation software to produce visual aids for presentations. Businesses do not use accounting software to monitor market share.

SOURCE: FI:352

SOURCE: Keen, D. (n.d.). *About QuickBooks software*. Retrieved February 1, 2010, from [http://www.ehow.com/facts\\_5027301\\_quickbooks-software.html](http://www.ehow.com/facts_5027301_quickbooks-software.html)

63. C

Rent, utilities, and supplies. Cash outflows refer to the monies that go out of the business—the business's expenses. Rent, utilities, supplies, and payroll are examples of business expenses. Loans, earned interest, sales, and the sale of assets are ways to bring money into the business—these are examples of cash inflows.

SOURCE: FI:091

SOURCE: FI LAP 6—Count the Cash (Cash Flow)

64. A

Hiring a friend or family member. Nepotism is the practice in which an influential person hires friends or family members to fill open job positions. This often creates ethical dilemmas or conflicts of interest because the positions may be filled by unqualified individuals. This practice also prevents otherwise qualified candidates from obtaining a job. Promoting a qualified employee, recruiting job candidates online, and developing a pay scale for employees are ethical actions.

SOURCE: HR:411

SOURCE: Gan, J. (n.d.). *Ethical dilemma 1: Human resources issues*. Retrieved February 10, 2010, from <http://www.succezz.com/Articles/business-ethics-dilemma1.html>

65. C

The product is expensive. Because money is a limited resource, customers tend to spend more time comparing and evaluating the features and benefits of expensive items before making a decision to buy. Individuals tend to spend more time evaluating options when buying homes, cars, and computers. Businesses tend to spend more time evaluating items such as operating equipment and contract services (e.g., ad agencies and tech support) before making a decision. Customers are less likely to spend a lot of time evaluating perishable items (e.g., food) or things that they need immediately (emergency health care). If a customer has a high level of loyalty to a specific brand, then the customer will spend less time evaluating competitors' products before making a decision to buy.

SOURCE: MK:014

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 145]. Upper Saddle River, NJ: Prentice-Hall.

66. D

Strengthen its brand value. Touch points are all of the opportunities that a business has to connect with its customers. A business's products, employees, facility, web site, and promotional materials are examples of touch points. The effective, consistent use of touch points can increase the business's brand value, which may contribute to other positive results, such as increased market share and increased customer loyalty. The use of touch points does not help a business improve its data-management processes, but effective data-management processes can help the business use its touch points effectively. Because many external economic factors (e.g., interest rates, regulations, business cycles) affect a business's risk levels, a business can implement strategies to manage the effects of various economic risks; however, the business cannot limit its exposure to those risks.

SOURCE: MK:019

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

67. B

A technical-trends report that was written on February 5, 2010. An important factor to consider when evaluating information is its timelines. If an article or report was published a long time ago, the information may not be relevant or accurate anymore, particularly if the topic involves technology. Because the technical-trends report was written recently, the information is likely to be up-to-date. Due to technology, the world is constantly experiencing medical breakthroughs and changes; therefore, a journal article that was published a decade (10 years) ago is less likely to contain up-to-date information. Stock values change rapidly, so a stock table that appeared in a newspaper on January 14, 2010 would not contain the most current information about stock values. Because the world's history has dramatically changed since 2000, the history textbook is outdated.

SOURCE: NF:079

SOURCE: Southern Illinois University: School of Law Library. (n.d.). *Evaluating web sites and other information resources*. Retrieved February 2, 2010, from <http://www.law.siu.edu/lawlib/guides/eval.htm>

68. D

Bookmarking. The bookmarking computer tool allows users to save URL addresses on their computers. The bookmarking tool allows users to quickly return to favorite or frequently visited web sites without reentering a specific URL address every time they want to access the web sites. This is a beneficial tool for businesspeople who need to do ongoing research, or for employees who need to access vendor and customer web sites several times a day. The highlighting function allows computer users to highlight or mark text in a document or spreadsheet. Sorting allows users the ability to organize, classify, or categorize data in a specific format, such as an alphabetical or numerical sequence.

SOURCE: NF:081

SOURCE: Calore, M. (2009, February 4). *Yahoo debuts Search Pad, a passive bookmarking tool for web searches*. Retrieved February 2, 2010, from <http://www.wired.com/epicenter/2009/02/yahoo-debuts-se/>

69. C

Keyboard. Computer keyboards are used to type or place text, numbers, and graphics into the computer. A keyboard is an essential item for inputting data into a computer system. Printers allow the user to print (or copy or scan) documents and graphics from the computer. The hardware consists of the central processing unit, hard drive, and modem. Software programs are installed in the computer and instruct the computer to perform certain operations.

SOURCE: NF:084

SOURCE: Webopedia.com. (2009, October 25). *Operating system*. Retrieved December 22, 2009, from [http://www.webopedia.com/term/o/operating\\_system.html](http://www.webopedia.com/term/o/operating_system.html)

70. B

Operating system. The operating system consists of the basic components (i.e., central processing unit, hard drive, modem, keyboard, display screens) needed to run all of a computer's applications and programs. Without the operating system intact, computer users cannot connect to the Internet, conduct a query through an Internet search-engine, or use a software program's task toolbar.

SOURCE: NF:085

SOURCE: Webopedia.com. (2009, October 25). *Operating system*. Retrieved December 22, 2009, from [http://www.webopedia.com/term/o/operating\\_system.html](http://www.webopedia.com/term/o/operating_system.html)

71. B

Makes it easier to comparison shop. The continuing growth of the Internet (e-commerce) allows consumers to log onto their computers and visit several web sites to compare products and prices. This makes comparison shopping easier because consumers do not need to telephone or drive to multiple businesses to obtain the desired product information. The Internet benefits businesses because it allows them to promote their products on their web sites. Another way that the Internet affects businesses is that it often reduces the need to use intermediaries to get the products to the end users. Because there is so much information available through the Internet, people may suffer from information overload, which is a disadvantage of the Internet.

SOURCE: NF:086

SOURCE: Pakhare, J. (2007, March 2). *Advantages and disadvantages of the Internet*. Retrieved February 15, 2010, from <http://www.buzzle.com/articles/advantages-disadvantages-internet.html>

72. C

Reply. The reply key allows the e-mail recipient to write a response to the sender's message. The forward key allows the e-mail user to send or forward a message that s/he received to another user. The e-mail user clicks on the send key when s/he wants to transmit the message to the message receiver. The import key allows a user to bring documents, graphics, or programs into a computer program from another computer program.

SOURCE: NF:004

SOURCE: Denton, C. (2009, June). *E-mail basics*. Retrieved December 11, 2009, from <http://www.smartcomputing.com/editorial/article.asp?guid=&bJumpto=true&Isfrm=IN&article=articles/webonly/techsupport/55w10/55w10.asp&ArticleID=31112>

73. A

The. Words such as “a,” “for,” and “the” are stop words, which are commonly used words that do not always add meaning to the primary search terms. For example, if the words, “the Pittsburgh Steelers” were entered in the query field, the word “the” would most likely be ignored by the search engine, which would focus on the words, “Pittsburgh Steelers.” However, there are exceptions to every rule. For example, the query “WHO” is likely to bring up results that contain information about the World Health Organization. If “the” is placed before “WHO” in the query, results are most likely to bring up information about the musical group, The Who. Cop, sew, and hat are less likely to be ignored when entered into a search engine query.

SOURCE: NF:006

SOURCE: Google.com. (n.d.). *Google search basics*. Retrieved February 15, 2010, from <http://www.google.com/support/websearch/bin/answer.py?hl=en&answer=136861>

74. A

Cut and paste. Businesspeople use word-processing software programs to create text documents such as business letters, memos, reports, etc. Word-processing software programs have many features and functions that allow the computer user to manipulate text. For example, the cut function allows the user to select a block of text and remove it from a certain location. By moving the cursor to another location and selecting the paste function, the user can place the previously cut text into a different part of the document. This process eliminates the need to delete text and retype it in a different section of the document, which can be time consuming. The copy function copies the selected text but does not remove it from its existing location. If the text is not copied before it is deleted, then it would not be possible to move the text to a new location in the document.

SOURCE: NF:007

SOURCE: Writing Turbocharger. (n.d.). *Cut and paste: Drafting unit 4*. Retrieved December 11, 2009, from [http://ec.hku.hk/writing\\_turbocharger/drafting/cut\\_and\\_paste.htm](http://ec.hku.hk/writing_turbocharger/drafting/cut_and_paste.htm)

75. D

Transition. Presentation-software applications provide computer users with the option to add different sound and visual effects when moving from slide to slide. This option is called a transition. The transition makes the presentation more interesting and visually appealing. The ability to add visual and sound effects between presentation-software slides is not referred to as a feed, jump, or lead.

SOURCE: NF:008

SOURCE: Ehow.com. (n.d.). *How to create transition effects in PowerPoint*. Retrieved February 10, 2010, from [http://www.ehow.com/how\\_12105\\_create-transition-effects.html](http://www.ehow.com/how_12105_create-transition-effects.html)

76. D

Share information. Collaborative computer software allows employees to access the same business information. For example, sales staff, promotions staff and accounting staff may need access to a comprehensive customer database for different reasons. A salesperson may need to retrieve a customer's purchasing history from the database to obtain the necessary facts s/he needs to process an order. The promotions staff may need to access the database to obtain the customers' addresses for a direct-mail campaign. The accounting staff may access the customer database to check the customers' billing information. An advantage to sharing the information is that efficiency increases because the employees have access to current and relevant information that they need to do their jobs. The primary purpose of collaborative software is not to archive old documents, interpret data, or maintain authority.

SOURCE: NF:011

SOURCE: BPC. (n.d.). *Collaborative software (groupware)*. Retrieved February 15, 2010, from <http://www.bestpricecomputers.co.uk/glossary/collaborative-software.htm>

77. C

Use short blocks of text. Since web surfers want information quickly, they tend to scan over the web page rather than reading the text in detail. Therefore, short blocks of text are often most effective in grabbing the reader's attention. In some situations, such as presenting a product's features, the text may be presented in a bullet-point format. Using too many fonts may make the text difficult to read. Applicable graphics should be included on the web page to add interest. Not all web pages include advertising, so leaving space for banner ads is not always necessary.

SOURCE: NF:042

SOURCE: Friedman, V. (2008, January 31). *10 principles of effective web design*. Retrieved February 15, 2010, from <http://www.smashingmagazine.com/2008/01/31/10-principles-of-effective-web-design/>

78. B

Logistics. Operations are the day-to-day activities for continued business functioning. Logistics refers to the function of operations that manages the flow of goods and services from production to consumption. Logistics includes all the people, information, and processes involved in storing (e.g., type of warehouse) and transporting goods (e.g., shipping method). Scheduling is the production activity that establishes the timetable to be followed in production. Maintenance needs refer to the routine maintenance and repair of business facilities and equipment. The operations function controls many activities within the business, which means that this function encounters a lot of expenses incurred by the business. Therefore, expense control is an important operations activity because it focuses on efficiency and keeping the business's costs low for its day-to-day activities.

SOURCE: OP:189

SOURCE: OP LAP 3—Smooth Operations (Nature of Operations)

79. B

Product quality. Product quality is the degree of excellence of a good or service—how good it is. Quality is an ethical issue that might affect the operations function because businesses decide the quality of the products they provide. If the business cuts corners in the production process, such as using lower grade inputs to save money or boost profits, the product quality can be affected. The use of lower grade inputs may produce low quality outputs that may not perform well or be durable. This practice is unethical if the business doesn't communicate to its customers that the products contain lower grade materials and may not be durable. Insurance premiums are payments for insurance policies. Output rates refer to the number of goods or services produced in a certain period of time. Businesses compare the inventory records to the physical inventory counts to verify inventory accuracy.

SOURCE: OP:190

SOURCE: Pride, W.M., Hughes, R.J., & Kapoor, J.R. (2008). *Business* (9th ed.) [pp. 293-295]. Boston: Houghton Mifflin.

80. A

To reduce the risk of widespread illness. The purpose of health regulations is to protect the population from widespread illnesses. Depending on the industry or business type, most localities require businesses to follow certain rules to reduce the risk of illness. For example, various levels of government are likely to require that restaurants handle, store, and cook foods in certain ways to prevent illnesses such as e coli. Safety regulations intend to reduce the risk of accidents. The purpose of environmental regulations is to protect the natural environment from such issues as air pollution and waste management. Following health ordinances does not lower a community's need for medical care facilities.

SOURCE: OP:004

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 406-409). Tinley Park, IL: Goodheart-Willcox.

81. C

Conduct safety inspections. By periodically inspecting the work environment, managers can determine if employees are following the business's safety procedures. To determine if employees are following the safety procedures, managers may monitor employees who are operating production equipment, or they may check the facility to make sure that aisles and exits are not blocked by boxes. Monitoring computer usage will not ensure that employees are following the business's safety procedures. Simply installing security equipment, such as surveillance cameras, will not ensure that employees are following safety rules—the business must review the surveillance video to determine if employees are violating safety procedures. Including safety policies in the employee handbook is a way to inform the employees about the business's safety policies and procedures; however, this action does not ensure that employees follow the procedures.

SOURCE: OP:008

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 406-409). Tinley Park, IL: Goodheart-Willcox.

82. A

Use the kitchen fire extinguisher to put out the fire. For safety purposes, most localities require that businesses have fire extinguishers placed throughout their facilities. Business facilities that have kitchens should keep fire extinguishers in a prominent space of the kitchen so that they are easily available to put out small fires that are contained in pans, microwaves, etc. In the situation presented, the fire is small and contained to a limited location, so Ken should be able to use the fire extinguisher to put it out. If Ken leaves to tell his supervisor about the fire, the fire may spread. Ken should leave the kitchen and follow the company's fire evacuation policies if the fire is spreading. The company's policies may involve leaving the kitchen and to advise others to evacuate, opening a window, or calling 911 (rather than 411) to request assistance from the fire department after everyone has evacuated the building.

SOURCE: OP:010

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 409-410). Tinley Park, IL: Goodheart-Willcox.

83. B

Discourages attempted burglaries. When would-be burglars see surveillance cameras in several locations around a business, they are less likely to attempt to break in because they will be video-taped or photographed by the cameras. When the burglars' actions are taped, law enforcement agencies are more likely to identify and arrest them. Although surveillance cameras don't prevent all burglaries or robberies, they can often deter these activities. Most businesses use a combination of security measures to secure their facilities, including door and window locks and different types of alarm systems. Businesses need and use different types of alarm systems, such as fire alarms or smoke detectors, which are often required by law. Therefore, the use of surveillance cameras does not eliminate the need for alarm systems. Extortion is blackmail and would not necessarily be impacted by surveillance cameras.

SOURCE: OP:013

SOURCE: Kimiecik, R. C., & Thomas, C. (2006). *Loss prevention in the retail business* (p. 56). Hoboken, NJ: John Wiley & Sons.

84. C

The last employee to leave a business facility after business hours fails to set the security alarm. To protect their personal well-being, the well-being of coworkers and customers, and the business's property, employees need to follow their employers' security procedures. If the employee is the last person to leave the business facility, s/he needs to ensure that the doors are locked and the security alarm is set. If the security alarm is not set, it increases the risk of theft because it makes it easier for a thief to break into the building to steal money, inventory, or equipment. Installing electronic locks and security windows, updating antivirus software, and shredding unneeded documents are activities that reduce the risk of security breaches.

SOURCE: OP:152

SOURCE: Kimiecik, R.C., & Thomas, C. (2006). *Loss prevention in the retail business* (pp. 48-51, 60-61). Hoboken, NJ: John Wiley & Sons.

85. C

Firewalls. Malware (malicious software) is an illegal computer program that is used to disrupt computer processes, destroy computer programs, and access confidential business information. Firewalls are types of computer programs that combat these types of dishonest activities and protect a business's digital information. Spyware is a computer program that tracks and captures a computer user's Internet usage habits, e-mail messages, etc. Cookies are text files that are put on a web-site visitor's hard disk and then later retrieved during subsequent visits to the site to track Internet behavior. Shareware is a type of computer program in which computer users can sign up for the software on a trial basis. After the trial expires, the computer user can purchase and register the program, if desired.

SOURCE: OP:153

SOURCE: Miller, R.L., & Jentz, G.A. (2002). *Management and e-commerce: The online legal environment* (p. 196). Cincinnati: West Legal Studies in Business, South-Western College Publishing.

86. D

Scheduling. Project management is the process of planning, scheduling, and monitoring the progress of a project to achieve a specific goal. Scheduling is the process of developing plans that list the order of tasks that need to be performed and their completion dates. Schedules are tools that help project managers and team members organize their tasks, manage their time, and meet stated deadlines. Monitoring is periodically checking the progress of an activity or task. Evaluating is reviewing or examining the value or importance of something. Processing is carrying out a task.

SOURCE: OP:158

SOURCE: QS LAP 18—Make It Happen (The Nature of Project Management)

87. C

Tangible. Many types of resources-human, materials, time, money—are needed to complete projects. Tangible resources are those that can be touched, smelled, tasted, seen, or heard. Office supplies, computers, steel, and signage are tangible items because they can be seen and touched. Perishable goods (e.g., various foods) are items that are capable of spoiling, decaying and dying. Donated resources are contributed or given by others. There is not enough information to determine if goods in the example are donated items. Often, projects require support services. These are technical or complicated activities the project members cannot do themselves.

SOURCE: OP:003

SOURCE: QS LAP 19—Get What You Need

88. D

Employee productivity decreases. Businesses need office supplies to operate efficiently. If a business runs out of necessary supplies, the employees' productivity decreases because they do not have the tools available to do their jobs efficiently. For example, if a business runs out of copy paper and forms, its employees cannot print letters, reports, or invoices, or conduct other activities that are necessary to keep the business operating smoothly. Many businesses develop inventory control procedures to monitor their supplies to reduce the risk of running out of supplies. Businesses (e.g., manufacturers) charge their customers restocking fees for returning ordered goods that the customers no longer want or need. Restocking fees are part of the business's return policies rather than its operating policies.

SOURCE: OP:031

SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 431-432]. Upper Saddle River, NJ: Pearson Prentice Hall.

89. C

Does the vendor have the resources to consistently meet our business's needs? A business that wants to build a long-term relationship with a vendor must consider many factors. Most importantly, the business must determine if the vendor has the resources to meet the business's needs. Some resources include the product availability, technical-system compatibility, customer-service support, etc. The vendor's project management computer program is not usually a primary consideration during the vendor-selection process. The business's own target market is a marketing consideration for the business rather than for vendor selection. The business's strengths and weaknesses are identified in its SWOT analysis, and do not directly relate to the vendor-selection process.

SOURCE: OP:161

SOURCE: Cash, R. P., Thomas, C., Wingate, J. W., & Friedlander, J. S. (2006). *Management of retail buying* (pp. 132-134). Hoboken, NJ: John Wiley & Sons.

90. C

Positioning. Position innovation occurs when an existing product is repositioned. In the situation provided, a new use for the baking soda prompted Arm and Hammer to reposition the product as a deodorizer. The basic product did not change, but the company redesigned the package so that a filtered panel opened on the side of the box for optimal odor absorption. Process innovation involves changing the way that a product is produced or delivered. Distributed innovation refers to a decentralized model used for problem solving. Associative innovation is a fictitious term.

SOURCE: PD:126

SOURCE: Bishop, K. (2007). *Types of innovation*. Retrieved January 11, 2010, from <http://ezinearticles.com/?Types-of-Innovation&id=38384>

91. B

Identify and check your assumptions. An assumption is a thought or idea that you presume (take for granted) is true. In some situations, a person makes incorrect assumptions. For example, a supervisor may assume that an employee has completed a task by deadline. The supervisor makes this assumption because the employee has completed tasks by the given deadlines in the past. The supervisor's assumption is based on his/her experience. However, the employee experienced a computer problem, which prevented her/him from completing the task by deadline. So, in this particular situation, the supervisor's assumption was incorrect. Therefore, when you are solving problems, it is important to make sure that you have all of the correct information available and that you look at situations and issues objectively. After collecting all of the necessary information and checking assumptions, you can brainstorm solutions and determine the best solution to implement. The nature of the problem depends on whether or not you need to ask for input from your peers.

SOURCE: PD:077

SOURCE: IS LAP 2—No Problem (Problem Solving)

92. C

Optimism. Successful entrepreneurs possess an optimistic attitude. An optimistic person has a positive outlook on life, and looks for the opportunities to grow, even when s/he experiences challenges and setbacks. Organizational skills involve developing and executing processes or activities in a systematic way. Innovation is the process or ability to develop a new product, process, position, or paradigm. Determination is the drive or willpower to achieve a goal.

SOURCE: PD:066

SOURCE: PD LAP 4—Own Your Own (Career Opportunities in Entrepreneurship)

93. D

Private employment agency. Private employment agencies match professional businesspeople with companies that are looking for workers who possess specific qualifications or expertise. The agencies often specialize in a specific field, such as computer programming. Private employment agencies charge fees for their placements. Payment arrangements vary, but often the employer pays a fee based on a percentage of the new hire's salary. The example does not describe an academic counseling center, which is located at high school or college. The example does not describe a government job placement office, which is a government agency. There is not enough information provided to determine if the employment agency is an online business.

SOURCE: PD:026

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [pp. 34-37]. Mason, OH: South-Western Cengage Learning.

94. D

Write clearly using a black or blue pen to present a professional appearance. The way in which an applicant fills out a job application can affect the applicant's chances of getting an interview. A job application that contains sloppy handwriting, misspelled words, and incomplete information presents an unprofessional impression. It indicates to the business that the applicant completes tasks haphazardly, which is not a favorable trait for employees to have. To present a professional appearance, the applicant should complete every section of the application and write clearly using a blue or black pen. Some employers may feel that using a pencil to complete an application is unprofessional and difficult to read. Although it depends on the position, many employers require that applicants provide résumés when they complete job applications.

SOURCE: PD:027

SOURCE: State of California. (2009). *Worksmart! Tips for success—the application*. Retrieved January 10, 2010, from [http://www.worksmart.ca.gov/tips\\_application.html](http://www.worksmart.ca.gov/tips_application.html)

95. D

Exhibit enthusiasm. To present a confident and professional attitude during a job interview, an applicant should exhibit enthusiasm, which involves showing interest in the job and in the company. To exhibit enthusiasm, the applicant should smile, maintain eye contact with the interviewer, listen attentively, answer questions in as much detail as necessary, and ask appropriate questions. To present a positive impression, the applicant must also dress appropriately for the interview, which often involves wearing formal business attire, such as a business suit.

SOURCE: PD:028

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 138-139). New York: Glencoe/McGraw-Hill.

96. C

Reinforce your qualifications and interest in the position. It is a courtesy to send follow-up letters to interviewers to thank them for their time. The applicant can use the letter to reinforce his/her qualifications and express his/her interest in the position. This letter may also help the interviewer to remember the applicant. The follow-up letter should be brief—the detailed information should have been provided in the application and résumé and during the interview. If the first interview did not go well, interviewers do not usually ask applicants for a second interview. It would be inappropriate to request more information about the job's salary and benefits in a follow-up letter. This type of information is typically provided when the employer extends a job offer to the applicant.

SOURCE: PD:029

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [p. 41]. Mason, OH: South-Western Cengage Learning.

97. B

Action. Using action words in a résumé subtly indicates that the job applicant is assertive, on the move, and actively working to accomplish goals. Action words help the reader visualize the applicant performing a task or activity. Phrases such as, "managed a long-term marketing project," or "coordinated a local charity event," indicate that the applicant takes action to accomplish a task or goal. Passive or vague words are not likely to impress or entice the reader to read further. Jargon refers to a specialized language known only to a certain group of people. Jargon should be used sparingly and only if it is necessary to describe something that is related to the job.

SOURCE: PD:031

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Entering the world of work* (p. 166). New York: Glencoe/McGraw-Hill.

98. A

Doing volunteer work. One way to obtain work experience is by volunteering. Volunteer work involves donating time without pay to complete tasks or projects, such as feeding, walking, and caring for stray dogs and cats at an animal shelter. Internships involve training in which schools and businesses cooperate to provide on-the-job practice for learners. Job shadowing involves observing an individual perform his/her daily job activities in the workplace. There is not enough information provided to determine if organizing a charitable event for the animal shelter is an aspect of Sally's volunteer work, if Sally observes the veterinarians who work at the animal shelter, or if Sally's school arranged an internship.

SOURCE: PD:032

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 54-55, 200, 518). New York: Glencoe/McGraw-Hill.

99. A

Work in a specific industry. Trade associations often provide continuing educational options for workers who want or need to expand their skills and knowledge in a specific industry, such as plumbing or building. As technology evolves, workers often need to attend classes, seminars, and workshops to keep up with the changes in their industry. Some trade associations offer management training classes, but not all workers need or want these types of skills. Workers who want to obtain a graduate degree need to attend a college or university that offers graduate-level programs. People who are near retirement are unlikely to attend continuing education classes or professional development seminars and workshops.

SOURCE: PD:033

SOURCE: OHBA. (n.d.). *Continuing education requirements to affect contractors*. Retrieved January 29, 2010, from <http://www.umpquavalleyhba.org/membership-information/ccb-continuing-education-requirements.html>

100. C

Conceptual skills. Conceptual skills involve the ability to see the "big picture" and think about how things will work together. The ability to see the "big picture" and how things fit together facilitates sound decision making, idea generation, and creative problem solving activities because the manager understands how various changes can impact other departments and employees. Interpersonal skills involve the ability to communicate, interact, and build relationships with others. Technical skills or competence is the ability to understand the specialized aspects of jobs.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (Concept of Management)