



Competency-Based
Competitive Events
Written Exam
for District/Regional Use

Test Number 1068
Booklet Number _____

Business Administration Core Exam

PBM - Principles of Business Management and Administration Event
PFN - Principles of Finance Event
PHT - Principles of Hospitality and Tourism Event
PMK - Principles of Marketing Event

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

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This comprehensive exam was developed by the MBAResearch Center under contract with DECA, Inc. Items have been randomly selected from the MBAResearch Test-Item Bank and represent a variety of instructional areas. Performance Indicators for this exam are at the prerequisite and career-sustaining levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.



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1. Which of the following is a characteristic of a business-format franchise:
 - A. The name of the business is chosen by the franchisee.
 - B. Products are bought directly from the supplier.
 - C. It is the least popular franchise arrangement.
 - D. Continuous assistance is provided by the franchisor.
2. What should business employees possess in order to extract relevant information from written materials?
 - A. Ability to listen
 - B. Limited vocabularies
 - C. Good reading skills
 - D. Effective speaking voice
3. What type of information should employees be able to locate in their company's employee handbook?
 - A. The company's annual report
 - B. The company's list of current job openings
 - C. The use of company property
 - D. The number of vacation days that an employee has taken
4. Millie is reading a book to learn how to knit. She wants to make her sister a scarf for Christmas, but it's only a week away, and she doesn't have much time. Millie decides to skip ahead of the directions, and the scarf winds up looking more like a potholder. Which of the following tips for following directions did Millie ignore:
 - A. Accept responsibility
 - B. Know when to speak
 - C. Don't rush
 - D. Note key words
5. Which of the following is a guideline for effective verbal communication:
 - A. Keep the voice at the same pitch
 - B. Use speech mannerisms
 - C. Try to avoid eye contact
 - D. Use gestures for emphasis
6. The most effective way to interpret others' nonverbal cues often is to look at their
 - A. facial expressions.
 - B. leg movements.
 - C. clothing style.
 - D. office decor.
7. When giving verbal directions to employees about how to complete a task, it is often helpful to
 - A. speak softly.
 - B. use visuals.
 - C. use complex words.
 - D. limit body language.
8. Roberto has just finished giving a presentation about global warming. An obviously irritated audience member stands and says that there is no evidence to prove global warming exists. Roberto calmly reads results from three scientific reports on its existence. Roberto's response is an example of
 - A. a transition.
 - B. an effective conclusion.
 - C. defending an idea objectively.
 - D. expressing a cultural barrier.
9. What is an advantage to a business of encouraging employees to participate in group discussions?
 - A. Many opinions increase the chances of developing useful recommendations.
 - B. It makes it easier to reach a unanimous decision.
 - C. Less conflict is likely to occur when discussing controversial issues.
 - D. The participants' input usually helps the business to resolve problems quickly.
10. When taking notes during a seminar, a businessperson should write down
 - A. all details.
 - B. information of interest.
 - C. key points.
 - D. inaccurate statements.
11. Using a table to present or summarize data in a written document is most appropriate when
 - A. the data are too complex to describe in the body of the text.
 - B. it is important to build credibility and impress the audience.
 - C. the report does not require a bibliography.
 - D. it is placed in the appendices of a complex report.

12. A business that writes letters to customers to confirm their orders or requests should make sure that the letters contain
- A. a map of all business locations.
 - B. product ratings and grades.
 - C. exchange rates.
 - D. all the necessary information.
13. The primary purpose of placing headings and subheadings in a long business report is to
- A. provide supporting evidence for key points.
 - B. attract attention to the writer's hidden agenda.
 - C. organize content in a cohesive, manageable way.
 - D. solicit an opinion or response from the audience.
14. Which of the following information should be included in the inside address section of a business letter:
- A. Message
 - B. Subject
 - C. Date
 - D. Title
15. When writing informational messages, it is most important to communicate
- A. an honest opinion.
 - B. emotional appeal.
 - C. accurate content.
 - D. a request for action.
16. What type of information should a business include when writing a sales proposal to send to a customer?
- A. Shipping and receiving
 - B. Features and benefits
 - C. Pricing and accounting
 - D. Laws and regulations
17. Which of the following is **not** a good technique for participating in a staff meeting:
- A. Understand the goal of the meeting prior to its start
 - B. Contribute at least one opinion to every staff meeting in which you participate
 - C. Avoid arguing with other participants, even if you strongly disagree with their point of view
 - D. Follow the instructions of the group leader, even if you have a better idea for organizing the meeting
18. A customer asks Roger a question about a product, and he isn't sure of the correct answer. He immediately phones his supervisor to get the needed information. Which technique for building positive customer relations does this illustrate?
- A. Pay attention to internal customers.
 - B. Keep your promises.
 - C. Be helpful.
 - D. Be thankful.
19. One way that employees can provide efficient, quick service to customers is by being
- A. forceful.
 - B. organized.
 - C. detached.
 - D. aggressive.
20. Kate's coworker Jack is meeting with a very important German client tomorrow. Kate has been to Germany several times, and tells Jack that German businesspeople tend to be very formal and serious in business situations. After learning this information, Jack now knows that he should avoid
- A. shaking hands.
 - B. using titles.
 - C. using humor.
 - D. making eye contact.
21. Business policies that focus on meeting consumers' wants and needs while making a fair profit for the business are primarily intended to
- A. keep operations running smoothly.
 - B. guide employees' actions.
 - C. reduce misunderstandings.
 - D. satisfy customers.
22. Carrie has a summer job cleaning and maintaining backyard pools. Her boss thinks she does a great job. Today, she has a new client. For a while, he was watching her from the porch, and then he came out and stood just a few feet away from her. "Don't do it that way," he instructed. "You're using too much chlorine. Should I just measure it out for you?" Carrie's customer is
- A. suspicious.
 - B. slow/methodical.
 - C. domineering/superior.
 - D. irritable/moody.

23. Which of the following are the three major areas of customer complaints:
- A. Labeling, faulty design, and mispricing
 - B. Improper decisions, oversight, and service
 - C. Product, personnel, and the business
 - D. Poor service, inaccurate forms, and rudeness
24. Which of the following is a consumer good:
- A. Point-of-sale terminal
 - B. Display racks
 - C. Children's apparel
 - D. Employee uniforms
25. The gap between unlimited desires for products and limited resources is known as
- A. conservation.
 - B. scarcity.
 - C. abundance.
 - D. unemployment.
26. A refinery in Houston processes crude oil into gasoline and delivers it to a service station in California. Which two types of utility are being created in this situation?
- A. Place and time
 - B. Form and time
 - C. Form and place
 - D. Time and possession
27. When the price of a product is high, consumer demand will usually be
- A. high.
 - B. low.
 - C. unchanged.
 - D. about average.
28. Social responsibility is the duty of business to
- A. contribute to the well-being of society.
 - B. provide social activities for employees.
 - C. contribute to product development.
 - D. provide educational loans to employees.
29. Taking the profits from the businesses it owns is one way that the government of a _____ economy obtains capital.
- A. communist command
 - B. free enterprise
 - C. market
 - D. traditional
30. Income from sales minus the cost of merchandise sold calculates a business's
- A. gross domestic product.
 - B. operating expenses.
 - C. net profit or loss.
 - D. gross profit on sales.
31. One way in which government protects private property is to provide
- A. fire insurance policies.
 - B. local governmental programs.
 - C. Federal Reserve Banks.
 - D. patents or copyrights.
32. Which of the following is most likely to help any business reach maximum productivity:
- A. Using one-way communication to inform workers
 - B. Making managers responsible for all decisions
 - C. Offering inflexible work schedules and overtime hours
 - D. Combining well-qualified workers and efficient job methods
33. Emotional intelligence is especially important today because
- A. everyone can be a world traveler and see other cultures.
 - B. our culture is more relaxed and free.
 - C. people need to interact in more secure business environments.
 - D. collaboration is becoming a standard method of achieving business goals.
34. Visualizing yourself as you would like to be is a technique that
- A. is seldom rewarding.
 - B. does not work well.
 - C. takes time and practice.
 - D. is quick and easy to learn.

35. A restaurant developed a new recipe for its beef ribs, which it wished to keep secret. When interviewing potential employees to prepare the ribs, what personal trait would be the most important to the restaurant?
- A. Tact
 - B. Loyalty
 - C. Industry
 - D. Initiative
36. One way employees can demonstrate initiative is by handling _____ situations effectively.
- A. unexpected
 - B. regular
 - C. routine
 - D. training
37. Phyllis was on her way to work one morning when she was involved in an accident. Phyllis used her cell phone to call the police. In order to act responsibly, Phyllis should also immediately call
- A. auto-body shops for insurance estimates.
 - B. a tow truck to pick up her car.
 - C. a rental agency to get a car.
 - D. work to let them know where she is.
38. Because Paul always tries to do what is right, his friends consider him to be a person who has
- A. dignity.
 - B. integrity.
 - C. conflicts.
 - D. commitment.
39. Susan is a purchasing manager for a manufacturer. On Monday, Susan received a call from the plant manager, who frantically told Susan that the production line ran out of 3/8" washers, which has forced production to stop. Because Jason is the senior buyer in charge of ordering the washers, Susan set up a meeting with Jason to discuss the problem. During the meeting, Susan asked Jason to explain why the washers were out of stock. Jason replied, "Well, I told the office assistant to check the inventory. It's not my fault that we don't have the washers in stock." What is Jason doing?
- A. Blaming another person for his mistake
 - B. Helping Susan to resolve the problem
 - C. Providing Susan with a valid reason for the stock-out
 - D. Denying that a problem exists
40. A characteristic of positive people that is important to businesses is that people with a positive attitude are usually
- A. well trained.
 - B. generous.
 - C. inflexible.
 - D. responsible.
41. Maureen becomes angry and defensive whenever her supervisor asks Maureen to correct mistakes. Maureen's attitude is not a good response to criticism because
- A. it indicates that Maureen wants to call attention to herself.
 - B. there is no reason to be angry about criticism.
 - C. Maureen has no right to be angry on the job.
 - D. it prevents Maureen from hearing the criticism clearly.
42. When the department manager was asked to replace the cash register with a scanner, s/he said that s/he did not want to learn how to use the scanner. This is an example of being _____ to change.
- A. unable
 - B. receptive
 - C. willing
 - D. resistant
43. Which of the following is an issue that often causes controversy between employers and employees:
- A. Job enlargement
 - B. Wellness programs
 - C. Social status
 - D. Workplace privacy
44. An American manufacturer launches a product line that offends many customers in Middle Eastern countries where the product line is considered inappropriate. This is an example of
- A. nationalization.
 - B. cultural imperialism.
 - C. product adaptation.
 - D. globalization.

45. Eye contact is an example of what type of communication?
A. Nonverbal
B. Informal
C. Verbal
D. Formal
46. Passive behavior is often referred to as _____ behavior.
A. confrontational
B. defiant
C. creative
D. avoidance
47. Which of the following are characteristics of adaptable people:
A. Creativity and resistance
B. Objectivity and attentiveness
C. Empathy and accuracy
D. Fairness and fear
48. To influence others to work toward a shared vision, a leader should possess a high level of credibility and should be able to provide supporting
A. assumptions.
B. practices.
C. skills.
D. facts.
49. Pat tells Tim, "You can always talk to me. I'm here to help." Which of the following coaching characteristics is Pat exhibiting:
A. Approachability
B. Persistence
C. Humility
D. Dependability
50. When there are frequent personality conflicts in a work group, the result is usually that it
A. interferes with the group's output.
B. adds to the group's effectiveness.
C. brings the work effort to a standstill.
D. makes the group more compatible.
51. To delay payment when buying business supplies from a web site, a purchaser is most likely to pay for the goods with a(n) _____ card.
A. ATM
B. debit
C. credit
D. store-value
52. Chris is at the grocery store deciding between two very similar candy bars. One is \$1.50, and the other is \$3.00. He decides to buy the \$1.50 candy bar because it is cheaper. Chris is using money as a _____ to make his decision.
A. store of value
B. medium of exchange
C. unit of measure
D. commodity
53. For an investment to yield positive results at the end of the investment period, the earnings should
A. grow by at least ten percent.
B. exceed the rate of inflation.
C. be accrued on a debt security.
D. be documented appropriately.
54. The chief advantage of offering retail credit is to
A. increase business hours.
B. decrease record keeping.
C. lower operating costs.
D. increase sales volume.
55. Molly and Tim have just had their first baby, Tommy. On top of their other financial considerations, such as saving for their retirement, they will now have to start saving and investing for Tommy's
A. health insurance.
B. retirement.
C. life insurance.
D. college education.
56. On his way home from work, Jason stops at the gas station to buy a magazine and a pack of gum. The magazine and gum are examples of _____ expenses.
A. non-essential
B. essential
C. fixed
D. variable

57. Calculate Jason's **gross** earnings for the pay period if his **net** pay is \$796.84, his total tax obligation is \$157.27, his medical insurance is \$45.00, and his union dues are \$15.00.
- A. \$894.11
 - B. \$579.57
 - C. \$984.11
 - D. \$1,014.11
58. 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.
59. Jeff is a college student who just opened his first credit card. Which of the following should he NOT do:
- A. Buy more with his card than he can afford
 - B. Pay his bill on time
 - C. Think of his card as a loan
 - D. Track his spending habits
60. Eric wants to buy a new house, and to do so he needs good credit. He has made all his rent, car, and credit card payments on time, so he should have a good credit score. Before he goes to purchase the house, he checks his credit report and finds that he has a low credit score because one of the agencies mishandled his report. This example shows the importance of
- A. validating credit history.
 - B. buying a house.
 - C. paying rent on time.
 - D. good credit.
61. Immediately contacting the credit-card company if credit cards are lost is one way to protect against
- A. identity theft.
 - B. excessive penalties.
 - C. financial risk.
 - D. high interest rates.
62. In investing, legal owning- or lending-agreements between individuals, businesses, or governments are known as
- A. premiums.
 - B. securities.
 - C. collateral.
 - D. guarantees.
63. When a business purchases an insurance policy, it is agreeing to the terms of a
- A. contract.
 - B. charter.
 - C. premium.
 - D. policyholder.
64. Two employees used a business's computerized accounting system to change some records. They were able to steal \$50,000 from the business because the accounting system lacked which of the following:
- A. Protection from theft and fraud
 - B. An affordable price
 - C. A manual system as backup
 - D. Printed financial statements
65. A business should strive to keep its cash conversion cycle as short as possible so it
- A. can increase its profit margin.
 - B. can earn dividends.
 - C. has cash available to use.
 - D. has fewer liquid assets.
66. One reason why human resources management is important to the success of a business is because this process is responsible for
- A. creating jobs for the company.
 - B. eliminating turnover.
 - C. staffing the business.
 - D. reducing compensation.
67. Identify the marketing function illustrated in the following situation: Martha wants a winter coat and sees a style she likes in a magazine advertisement.
- A. Promotion
 - B. Selling
 - C. Pricing
 - D. Purchasing

68. Which of the following is the most efficient tool for gathering external information that businesses need:
- A. Internet
 - B. Library
 - C. Software
 - D. Textbooks
69. Using a computer-generated slideshow to highlight product information would be most appropriate in which of the following business situations:
- A. Employee performance review
 - B. Project-team status meeting
 - C. Formal sales presentation
 - D. Union contract negotiations
70. Which of the following U.S. laws relates to information management:
- A. The Sarbanes-Oxley Act
 - B. The Sherman Anti-Trust Act
 - C. The Landrum-Griffin Act
 - D. The Taft-Hartley Act
71. An automobile manufacturer is considering adding a sport utility vehicle to its product line. What technology would allow the company to experiment with different styles, features, and sizes of the new product without investing large amounts of money or time?
- A. Computer-aided design
 - B. Computer-assisted manufacturing
 - C. Data processing
 - D. Artificial intelligence
72. What do businesses often develop to be able to store and analyze data for the purpose of making business decisions?
- A. Operating procedures
 - B. Information systems
 - C. Survey methods
 - D. Management policies
73. What is the importance of the computer hard drive in a computer system?
- A. It transmits power to other computer devices.
 - B. It facilitates the computer's audio transmissions.
 - C. It allows the user to view the computer data.
 - D. It permanently stores the computer program files and data.
74. Which of the following is an Internet-access source that allows computer users to log onto the Internet without a physical connection:
- A. Analog
 - B. Broadband Cable
 - C. Wireless Fidelity
 - D. Portal
75. If your supervisor asks you to find information on Coca-Cola's current market share for cola in the United States, the best and most precise wording to use when trying to narrow down the Internet search on most search engines would be
- A. Coca-Cola OR current market share OR cola AND United States.
 - B. Coca-Cola OR current market share OR cola OR United States.
 - C. Coca-Cola AND current market share AND cola AND United States.
 - D. Coca-Cola AND/OR market share.
76. While preparing the company's annual report in a computer word-processing program, Natasha deleted an entire paragraph by mistake. The best way for Natasha to correct the mistake is to
- A. use the edit undo command.
 - B. retype the paragraph.
 - C. copy the text from another document.
 - D. create a template.
77. A hotel wants to purchase computer software that would store, manage, and retrieve customer information in order to better serve customer needs and increase sales. What type of software should the hotel buy?
- A. Computer-aided design
 - B. Spreadsheet
 - C. Word processing
 - D. Database

78. The manager of a pet supply store is planning a sale. The manager set up a spreadsheet to calculate the sale price for each item to reflect a 30% discount off the retail price. The retail price for an aquarium is \$228.00. What is the sale price for the aquarium?
- A. \$182.40
 - B. \$148.20
 - C. \$159.60
 - D. \$193.80
79. Which of the following is needed to post a web page:
- A. Legal permit
 - B. Product to sell
 - C. Interested audience
 - D. Web server
80. Operations activities vary depending on a business's
- A. tax return.
 - B. name.
 - C. product.
 - D. address.
81. An employee notifying a government agency that the business is violating health and safety regulations is an example of
- A. reporting noncompliance.
 - B. spreading gossip.
 - C. unethical behavior.
 - D. verbal communication.
82. Jamie has been feeling exhausted and has had several minor accidents at work because of it. His supervisor is calling him in for a conference. Which of the following safety risks will they discuss:
- A. Horseplay
 - B. Fatigue
 - C. Hazards
 - D. Housekeeping
83. When an accident occurs at a place of business, employees should first try to
- A. call an ambulance.
 - B. move the injured person.
 - C. take the victim's pulse.
 - D. find out how serious it is.
84. A cashier at Puritan Supermarket was approached by robbers who used force, violence, and fear to gain access to the cash inside the cash register. What type of common business security problem did the supermarket experience?
- A. Shoplifting
 - B. Robbery
 - C. Burglary
 - D. Embezzlement
85. Why have some major retail businesses decentralized their purchasing operations?
- A. They maintain a wider variety of suppliers.
 - B. Their buyers prefer to be independent.
 - C. Their stores are geographically distant.
 - D. They obtain lower prices for smaller orders.
86. What do businesses need to maintain in order to produce goods and services for customers?
- A. Schedule of accounts
 - B. List of vendors
 - C. Inventory of supplies
 - D. Copies of invoices
87. Production processes that rely heavily on expensive equipment and materials are _____ processes.
- A. capital-intensive
 - B. labor-intensive
 - C. standardized
 - D. intermittent
88. If you are in doubt about selecting an item of clothing for work, it is usually best to choose the one that is
- A. a current fad.
 - B. highly advertised.
 - C. conservative.
 - D. most eye-catching.
89. Employees who have innovation skills are able to
- A. behave aggressively.
 - B. think in new ways.
 - C. react to problems.
 - D. socialize effectively.

90. Setting boundaries is also known as
- A. identifying alternatives.
 - B. establishing criteria.
 - C. pinpointing objectives.
 - D. making decisions.
91. Which of the following would be most likely to help you to determine whether you can be successful in a particular line of work:
- A. Talking to someone who is currently employed in this field
 - B. Asking your counselor about opportunities in the field
 - C. Contacting businesses that are part of the industry
 - D. Taking courses required of those who do this kind of work
92. When male employees earn more money than female employees for performing the same type of work, a business is violating the employees' rights to
- A. occupational safety.
 - B. training and supervision.
 - C. union representation.
 - D. equal pay.
93. If individuals enjoy operating machinery, driving vehicles, or using tools, they might consider a career that involves working with
- A. people.
 - B. animals.
 - C. things.
 - D. information.
94. Home-based businesses are attractive to many people because the businesses generally
- A. require less technical training.
 - B. provide owners a steady income.
 - C. yield higher profit margins.
 - D. have lower start-up costs.
95. Students searching for a job should check the listings posted in the school's
- A. guidance office.
 - B. computer lab.
 - C. auditorium.
 - D. athletic department.
96. Which of the following would help a job applicant to fill out job application forms easily:
- A. Knowing someone at the business
 - B. Having computer experience
 - C. Keeping a file of job leads
 - D. Having a personal data sheet
97. A job interview follow-up letter can be a valuable tool for applicants who are nervous during a job interview because the letter can
- A. persuade the interviewer to hire them for the job.
 - B. include anything that the applicant forgot to mention.
 - C. demonstrate their skill in oral communication.
 - D. overcome the impression they made during the interview.
98. Writing a letter of application is often an important part of applying for jobs
- A. by telephone.
 - B. in person.
 - C. online.
 - D. indirectly.
99. Which of the following is an example of a person obtaining unpaid work experience:
- A. Kelly volunteers at a local radio station.
 - B. Jim hires Kevin to cut his lawn every week.
 - C. Sarah researches information about different careers.
 - D. Ben performs contract work for his friend's new company.
100. Each month, Bob, the president of Widgets International, establishes goals for the company. Based on these goals, he sends specific directions to the managers of each operational division. What management function is Bob performing?
- A. Planning
 - B. Organizing
 - C. Staffing
 - D. Controlling



KEY

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1. D

Continuous assistance is provided by the franchisor. A business-format franchise is a more complex and more popular type of franchise arrangement than the product trade-name franchise. It involves a close, continuous, working relationship between the franchisor and the franchisee. Examples of the business-format franchise are McDonald's, Holiday Inn, and Jiffy Lube. Products and other materials usually must be purchased from the franchisor's list of approved vendors. The franchisee must operate under the trade name of the franchisor.

SOURCE: BL:003

SOURCE: BL LAP 1—Own It Your Way (Types of Business Ownership)

2. C

Good reading skills. All business employees need to possess basic reading skills. However, employees who are required to extract relevant information from written materials should possess good reading skills because some of the materials may contain complex information that is difficult to understand. Good reading skills include the ability to focus on the content and analyze and evaluate the meaning of the message. Employees who possess good reading skills usually have extensive vocabularies and are willing to look up the meaning of unfamiliar words. Possessing the ability to listen or an effective speaking voice will not help employees to extract relevant information from written materials.

SOURCE: CO:055

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 182-183). New York: Glencoe/McGraw-Hill.

3. C

The use of company property. Businesses often develop employee handbooks, which provide information about their general policies and procedures. Employee handbooks are usually given to new employees when they are hired. Employee handbooks usually provide information about overtime and vacation policies, disciplinary and grievance procedures, pay schedules, dress codes, and behavioral expectations in its employee handbook. Many employee handbooks include information about employees and their personal use of company property. Company-property issues that the handbook might address include making personal long-distance phone calls on the company phone and using the office copy machine or laser printer for non-business purposes. Lists of the company's current job openings and personal information about vacation days are usually available through the human-resources department, and are not included in the employee handbook. Additionally, the company's annual report is not usually included in the employee handbook. Often, corporations post their annual reports on the company's web site.

SOURCE: CO:057

SOURCE: SmallBusinessNotes.com. (n.d.). *Employee handbook*. Retrieved August 2, 2012, from <http://www.smallbusinessnotes.com/managing-your-business/employee-handbook.html>

4. C

Don't rush. When Millie skips ahead of the knitting directions in her book, she is rushing forward without all the information she needs to make the scarf. Reading and following directions is not a race. Taking your time and following the steps provided will ensure that you don't leave something out or do something incorrectly. This improves your chances of doing it right. In this situation, Millie is not ignoring the tips to know when to speak, accept responsibility, or note key words.

SOURCE: CO:119

SOURCE: QS LAP 24—Simon Says

5. D

Use gestures for emphasis. Appropriate gestures can help to emphasize the point the speaker wants to make, and they are an important part of effective verbal communication. Speech mannerisms are distracting to listeners and should be avoided. The tone of the voice should be modulated, or changed, to prevent the speaker from sounding monotonous. Eye contact with listeners is important in maintaining communication and making them feel the speaker is addressing them personally.

SOURCE: CO:147

SOURCE: Ober, S. (2007). *Fundamentals of contemporary business communication* (2nd ed.) [pp. 50-51]. Boston: Houghton Mifflin Company.

6. A

Facial expressions. Nonverbal cues are communication that involves the use of gestures or facial expressions, rather than the use of words. Facial expressions usually are the most important aspect of nonverbal cues or body language. For example, when people feel emotions such as happiness or anger, those emotions are expressed through smiles, frowns, and eye patterns. It is easy to see that someone is happy if s/he is smiling. Leg movements are a type of body language; however, they are not as effective a way to interpret nonverbal cues. Clothing style and office decor are nonverbal cues also, but they are not as easy to interpret as facial expressions.

SOURCE: CO:059

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 425-427]. Boston: McGraw-Hill/Irwin.

7. B

Use visuals. It is often more difficult to give verbal directions than to provide written directions unless the information is fairly simple or familiar to the audience. To overcome the problem of giving verbal directions, it is often helpful to use visuals such as diagrams or charts. The visuals reinforce the verbal directions and help the audience to understand the explanation. It is not helpful to speak softly, use complex words, or limit body language when giving verbal directions. These actions may make it more difficult for the audience to understand the directions.

SOURCE: CO:083

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [p. 114]. Mason, OH: Thomson South-Western.

8. C

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

SOURCE: CO:061

SOURCE: Thabet, Dia. (2010, November 28). *How to defend your idea without getting defensive*. Retrieved on August 2, 2012, from <http://ezinearticles.com/?How-to-Defend-Your-Idea-Without-Getting-Defensive&id=5460159>

9. A

Many opinions increase the chances of developing useful recommendations. Many businesses encourage employees to participate in group discussions to analyze problems and find solutions. The advantage is that when employees share many different opinions, there is an increase in the chance of developing useful recommendations. However, the group leader needs to encourage participation, and make all members feel comfortable so they will express their ideas and opinions. A disadvantage of group discussions is that conflict is more likely to occur when more people express different opinions, especially about controversial issues. Group discussions do not always lead to decisions in which all participants agree, nor do they always help the business solve problems quickly.

SOURCE: CO:053

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

10. C

Key points. Effective note-taking involves writing down the most important information or key points for future reference. A person generally speaks faster than another person writes, so it would be difficult for a person to write down every detail or word the speaker says. The key points cited during a seminar may or may not be of interest to the businessperson. Inaccurate statements should not be cited during a seminar.

SOURCE: CO:085

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [p. 225]. Mason, OH: Thomson South-Western.

11. A

The data are too complex to describe in the body of the text. Tables present text or numbers in a grid format. The table allows readers to see groups of data together for comparison. Tables are also useful because they summarize data in an easy to read format. Tables present data (e.g., statistics) that may be too wordy or complex to describe in a paragraph format. Tables should appear in a document where they are most appropriate, which may be the body, conclusions, recommendations, or appendices. The inclusion of a bibliography is not a factor when determining if a table should be included in the document. The primary purpose of tables is to provide information, which may or may not build credibility and impress the audience.

SOURCE: CO:087

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 371]. Upper Saddle River, NJ: Pearson Prentice Hall.

12. D

All the necessary information. When preparing written communication, one of the most important rules is to be thorough and provide all the necessary information because the receiver may not have the opportunity to ask questions in person. Letters confirming customer orders should answer the questions of who, what, when, and where by including specific information about ordered items, quantity, delivery address, etc. The letters should contain all the necessary information to verify that what the business intends to provide is exactly what the customers have requested. Whether product ratings and grades, exchange rates, and a map of all business locations are necessary information to include in a confirmation letter depends on the type of business and the customer's needs.

SOURCE: CO:016

SOURCE: Stutts, A.T., & Wortman, J.F. (2006). *Hotel and lodging management: An introduction* (2nd ed.) [p. 124]. Hoboken, NJ: John Wiley & Sons.

13. C

Organize content in a cohesive, manageable way. Long business reports often contain a lot of information about different topics. To organize the information so the audience can understand the report's contents, report writers often break content into chunks of related information. Headings and subheadings are often included before the section or topic to let the audience know the issue at hand. Headings and subheadings do attract attention because they are often formatted with a larger or color-coded font; however, the primary purpose is not to convey a hidden agenda, provide supporting evidence, or solicit an opinion from the audience.

SOURCE: CO:088

SOURCE: Young, D.J. (2006). *Foundations of business communication: An integrative approach* (pp. 461-462, 464-465). New York: McGraw-Hill/Irwin.

14. D

Title. The inside address section of a business letter should include the addressee's title, which might be both a courtesy title and a job title, if known. A courtesy title such as Mr. or Ms. should always be used and, whenever possible, a job title such as manager or president. A correct inside address with title is as follows: Mr. John Doe, President. The subject, date, and message are not part of the inside address section of a business letter.

SOURCE: CO:133

SOURCE: Roberts, S.J. (2012). *Fundamentals of business communication* (p. 200). Tinley Park, IL: The Goodheart-Willcox Company, Inc.

15. C

Accurate content. Because informational messages communicate knowledge, facts, or data to the message receiver, it is important that content is accurate. In the workplace, employees and managers often make business decisions based on information they receive in informational messages, so it is very important for the writer to include accurate content in the message. Although a writer might communicate an emotional appeal, an honest opinion, or a request for action in his/her informational message, accurate content is the most important consideration.

SOURCE: CO:039

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 95]. Upper Saddle River, NJ: Pearson Prentice Hall.

16. B

Features and benefits. When they are planning on making large or expensive purchases, some business customers ask the business to submit written sales proposals. Because the goal of the proposal is to make a sale, a well-written proposal will tell the customer the benefits of purchasing the business's products. The sales proposal should also point out the specific features of the products which may be different from the features of a competitor's product. The proposal might include shipping information, but receiving is controlled by the customer. The proposal usually includes pricing information but not accounting information. Laws and regulations usually are not part of a sales proposal unless the product is one that is regulated by the government.

SOURCE: CO:062

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 308-309]. Upper Saddle River, NJ: Pearson Prentice Hall.

17. B

Contribute at least one opinion to every staff meeting in which you participate. While contributing is important, it should only be done if you have something meaningful to contribute. Setting goals for the number of times you speak up during a meeting can lead to time spent on unnecessary discussions. It is important to understand the purpose of the meeting prior to attending so that you can think about any contributions you can make about the topics to be covered. It is inevitable that conflicting viewpoints will surface during meetings. Always be courteous and respectful of both the leader and the other participants. This includes behaving professionally when differing points of view are addressed to avoid arguments.

SOURCE: CO:063

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 416-417]. Boston: McGraw-Hill/Irwin.

18. C

Be helpful. Roger is displaying helpfulness to this customer. He didn't know the answer to the customer's question, but he immediately went into action to find the person who did. This situation does not illustrate keeping promises, paying attention to internal customers (employees), or being thankful.

SOURCE: CR:003

SOURCE: CR LAP 1—Accentuate the Positive (Nature of Customer Relations)

19. B

Organized. Employees should always be well organized and prepared to provide customer service in a quick, convenient manner. Customers don't have a lot of time to waste. They expect employees to be knowledgeable about company goods and services, organized, and ready to work. Being organized will help employees to focus on serving customers. Employees should not be forceful or aggressive when dealing with customers. Employees who are detached give the impression of not caring about customers.

SOURCE: CR:004

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [pp. 141, 226-228]. Mason, OH: Thomson South-Western.

20. C

Using humor. Because Germans tend to be very formal and serious about their business, they do not find it appropriate to use humor during business situations. It is appropriate to use titles, shake hands, and make eye contact with Germans in business situations. These behaviors are respectful to Germans.

SOURCE: CR:019

SOURCE: Priest, M. (n.d.). *Germany: Behavior*. Retrieved August 2, 2012, from <http://www.cyborlink.com/besite/germany.htm>

21. D

Satisfy customers. Effective business policies are designed to satisfy customers by meeting their wants and needs. At the same time, the policies are meant to make a fair profit for the business. Business policies also are developed to keep operations running smoothly, to reduce misunderstandings, and to guide employees' actions.

SOURCE: CR:007

SOURCE: Odgers, P. (2004). *The world of customer service* (p. 52). Mason, OH: South-Western.

22. C
Domineering/Superior. Carrie's customer is domineering/superior. He's talking down to her and giving her orders on how to do her job. A slow/methodical customer is indecisive or just takes a long time to make up his/her mind. A suspicious customer questions everything and is constantly worried that your business might take advantage of him/her. An irritable/moody customer is unpredictable—s/he might be your best friend one day and a real crab the next.
SOURCE: CR:009
SOURCE: CR LAP 3—Making Mad Glad (Handling Difficult Customers)
23. C
Product, personnel, and the business. Customer complaints can generally be divided into three general areas—the product, the business's employees, and the business itself. Product complaints result when products are defective, the wrong size or color, damaged or spoiled, don't meet customers' needs, or are mispriced. Complaints about employees come from the use of high-pressure selling techniques, rudeness, lack of product knowledge, inaccuracy, and poor service. Customer complaints against the business itself are generally related to the business's policies and procedures.
SOURCE: CR:010
SOURCE: Odgers, P. (2004). *The world of customer service* (pp. 54-57). Mason, OH: South-Western.
24. C
Children's apparel. Consumer products, such as children's apparel, are defined as those economic goods and services that are purchased and used by the ultimate consumer. The other alternatives would all be considered capital products because they are purchased by businesses for use in their operations.
SOURCE: EC:002
SOURCE: EC LAP 10—Get the Goods on Goods and Services (Economic Goods and Services)
25. B
Scarcity. Because of scarcity, choices must be made about which goods and services will be produced. Conservation promotes careful use of scarce resources in order to make them last longer. Unemployment is an economic condition in which individuals are not currently working in a gainful capacity. Abundance is an ample supply of any commodity, or the opposite of scarcity.
SOURCE: EC:001
SOURCE: EC LAP 6—Are You Satisfied? (Economics)
26. C
Form and place. Processing crude oil into gasoline creates form utility because the raw material is changed into a useful form. Delivering gasoline to a service station creates place utility because the good is made available at the place where it is needed by consumers. Time utility is created when a product is made available when the customer needs it. Possession utility, or the completion of a transaction, has occurred, but time utility has not.
SOURCE: EC:004
SOURCE: EC LAP 13—Use It (Utility)
27. B
Low. There is an inverse relationship between consumer demand and the price of the product. In other words, the higher the price of a product, the lower the consumer demand for it will be.
SOURCE: EC:005
SOURCE: EC LAP 11—It's the Law (Supply and Demand)
28. A
Contribute to the well-being of society. Businesses can show their social responsibility by maximizing their profits and/or contributing to public interests. While some businesses do provide certain social activities for employees, or may have a credit union from which employees can obtain loans for various purposes, these are not duties of social responsibility. Contributing to product development would benefit the business, not society.
SOURCE: EC:070
SOURCE: EC LAP 20—Business Connections (Business and Society)

29. A

Communist command. In a communist command economy, capital for business investment is provided by the government, which obtains it by taking the profits of businesses it owns and by levying taxes. The government owns the businesses and controls the economy; therefore, it receives all the profits. The people are not allowed to invest in the economy. In a traditional economy, people produce only what they must have in order to exist. In a free enterprise or a market economy, the means of production and distribution are owned and controlled by individuals and businesses.

SOURCE: EC:007

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 93-94). Tinley Park, IL: Goodheart-Willcox.

30. D

Gross profit on sales. After gross profit is calculated, the costs of running the business (known as operating expenses) are subtracted from gross profit to determine whether the business has a net profit or a loss. When your business's operating expenses are greater than your gross profit on sales, a net loss results. The gross domestic product is the final market value of the total output of all goods and services produced within a country's geographic boundaries during a year's time.

SOURCE: EC:010

SOURCE: EC LAP 2—Risk Rewarded (Profit)

31. D

Patents or copyrights. The government issues patents or copyrights to inventors and artists to protect their work. Although the government provides local governmental programs, this response is not specific enough to be correct for protecting private property. Federal Reserve Banks are used by local banks for their banking functions. They do not provide protection for local property. Local governments provide fire protection through fire departments, not through fire insurance.

SOURCE: EC:008

SOURCE: EC LAP 16—Regulate and Protect (Government and Business)

32. D

Combining well-qualified workers and efficient job methods. Productivity is the amount and value of goods and services produced (outputs) from set amounts of resources (inputs). In order for a business to achieve maximum productivity, it must hire well-qualified workers, train them in efficient job methods, and provide them with up-to-date equipment. Productivity also increases when businesses use two-way communication, involve employees in the decision-making process, and offer flexible work schedules and overtime hours.

SOURCE: EC:013

SOURCE: EC LAP 18—Productivity (Make the Most of It)

33. D

Collaboration is becoming a standard method of achieving business goals. Collaboration is used more and more to achieve business goals. You can see this in the frequent use of teams, group projects, and joint ventures. Our culture is not more relaxed and free; it is busier than ever. Emotional intelligence does not ensure a more secure business environment. And, even though more people can be world travelers and see other cultures, emotional intelligence is also important for people who do not travel.

SOURCE: EI:001

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

34. C

Takes time and practice. Visualization is the practice of imagining yourself in possession of a present or desired strength. It is not always learned quickly or easily, but it does work well and can be very rewarding.

SOURCE: EI:016

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 197). New York: Glencoe/McGraw-Hill.

35. B

Loyalty. Loyalty to a job means keeping confidential any information about a business that is not supposed to be public knowledge. Trade secrets are very important to some businesses. Tact is the ability to express your ideas and opinions so that they do not hurt or offend others. Industry is diligence. Initiative is enterprise and determination. Tact, industry, and initiative do not deal with keeping trade secrets confidential.

SOURCE: EI:018

SOURCE: EI LAP 9—You've Got Personality (Personality Traits in Business)

36. A

Unexpected. Initiative is willingness to act without having to be told to do so. An excellent way to show initiative is to handle emergency and other unusual situations on your own. An example might be filling in for a coworker who is ill. Handling regular, routine, or training situations does not reflect initiative.

SOURCE: EI:024

SOURCE: EI LAP 2—Hustle! (Taking Initiative at Work)

37. D

Work to let them know where she is. Calling work right away is responsible behavior because it gives the business a chance to make any arrangements that are necessary to cover necessary responsibilities. Calling for a tow truck, insurance estimates, or a rental car are later steps that may need to be taken.

SOURCE: EI:021

SOURCE: PD LAP 7—Make the Honor Role (Acting Responsibly)

38. B

Integrity. Integrity is adhering to an established set of personal ethics. Ethics give people standards by which they can judge situations and decide what is the right thing to do. Dignity is pride. Conflicts are disagreements. Commitment is dedication or devotion to something or someone.

SOURCE: EI:022

SOURCE: Dalton, M., Hoyle, D.G., & Watts, M.W. (2006). *Human relations* (3rd ed.) [p. 416]. Mason, OH: South-Western Cengage Learning.

39. A

Blaming another person for his mistake. Taking responsibility for your actions involves accepting the consequences (good or bad) of your behavior, admitting and learning from your mistakes, and trying to do better in the future. In the example, Jason blamed the office assistant for the mistake, but he is the employee who is responsible for ordering the washers. By blaming another employee, Jason is failing to accept responsibility for his actions. Jason was not helping Susan to resolve the problem, providing a valid reason for the stock-out, or denying that a problem exists.

SOURCE: EI:075

SOURCE: Payne, S. (2010, January 19). *Accepting responsibility for your own work*. Retrieved August 2, 2012, from <http://www.helium.com/items/1587239-accepting-responsibility-for-your-own-work>

40. D

Responsible. Positive people accept responsibility for their own actions and don't try to blame others when they make a mistake. They care about their job duties and are willing to learn new tasks or to take on new duties. This makes them valuable employees. Positive people are flexible and adaptable. They are also generous, but that is not important to the business. Whether they are well trained is related to their background rather than their attitude.

SOURCE: EI:019

SOURCE: EI LAP 3—Opt for Optimism (Positive Attitude)

41. D

It prevents Maureen from hearing the criticism clearly. Defensiveness raises a barrier between you and the speaker. Most of us feel angry or resentful when we are criticized, especially when the criticism is unjust. However, we cannot afford to exhibit this kind of attitude on the job. If Maureen listened with an open mind to the supervisor, she might learn not only how to correct her mistakes but how to avoid the mistakes in the future. Maureen's attitude indicates immaturity rather than a desire to call attention to herself.

SOURCE: EI:003

SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)

42. D

Resistant. Being resistant to change means to oppose or withstand change. The manager was resisting a technical change. Being receptive to change means to accept change. Being unable to change means not having the ability to change. Being willing to change means to accept change.

SOURCE: EI:026

SOURCE: tutor2u. (n.d.). *Strategy: Types of change in business*. Retrieved August 2, 2012, from http://tutor2u.net/business/strategy/change_types.html

43. D

Workplace privacy. An employee's right to privacy in the workplace is becoming more controversial primarily as a result of new technology. Today, many employers use video cameras to monitor employees on the job. Businesses also are able to track employees' use of computers and access their e-mail. Businesses often feel that they have the right to take these measures because employees are using company equipment on the company's time. On the other hand, employees often feel that businesses do not have the right to invade their privacy by reading e-mail messages or recording phone conversations. Job enlargement involves combining job tasks so that a worker has more responsibility for the completion of a job. Wellness programs and social status are not issues that cause controversy between employers and employees.

SOURCE: EI:029

SOURCE: Privacy Rights Clearinghouse. (2012, May). *Fact sheet 7: Workplace privacy and employee monitoring*. Retrieved August 2, 2012, from <https://www.privacyrights.org/fs/fs7-work.html/>

44. B

Cultural imperialism. Businesses in some countries, especially more developed ones, may have an attitude that their approach, tastes, or preferences are "better" than those of other countries, particularly less developed ones. Or, they may believe their cultural beliefs and attitudes are the only ones and neglect other countries' cultures altogether. This is cultural imperialism. It is not an effective business practice and does not lead to success in the long run. Globalization refers to keeping a product and advertising message the same around the world, while nationalization refers to something whose ownership is taken over by the government. Product adaptation is changing a product in some way to make it more appropriate for another country's preferences.

SOURCE: EI:033

SOURCE: Buzzle. (2012). *Cultural imperialism examples*. Retrieved August 2, 2012, from <http://www.buzzle.com/articles/cultural-imperialism-examples.html>

45. A

Nonverbal. Nonverbal communication is all of the things you express with body movements and facial expressions. Making and maintaining eye contact communicates interest in another person and what s/he is saying. Formal communication, such as business letters and reports, is expressed in more formal language than informal communication, which may take the form of memos or even rumors passed through the grapevine. Verbal communication is transmitted orally.

SOURCE: EI:007

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

46. D

Avoidance. Passive behavior is often called avoidance behavior because the main goal is to avoid conflict at almost any cost. It is the opposite of confrontational behavior which is frequently defiant or hostile. Passive behavior would not be referred to as creative.

SOURCE: EI:008

SOURCE: EI LAP 18—Assert Yourself (Assertiveness)

47. B

Objectivity and attentiveness. Adaptable people consistently exhibit certain attitudes or behavior, regardless of the circumstances. Some characteristics of adaptable people include objectivity; attentiveness; empathy; confidence; a respectful, positive, and self-corrective attitude; and constructive (positive) risk taking. Resistance and fear are not attributes of adaptable people. Adaptable people do not always do things accurately. Increased creativity is considered a positive outcome of adaptable behavior, rather than a characteristic of adaptability.

SOURCE: EI:006

SOURCE: QS LAP 15—Stuff Happens

48. D

Facts. Vision is the future that you desire to create. To fulfill a vision, the leader may need to get others to embrace the vision and help him/her carry it out. Enlisting others' support might include using rational persuasion, which is the method of appealing to others' intellects and minds by providing supporting facts or evidence. By providing facts and evidence, the leader is giving reasons to support the vision. Practices are procedures or activities that are followed. Skills are abilities. Assumptions are thoughts or information that are taken for granted as being true, but may not be true.

SOURCE: EI:060

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

49. A

Approachability. A coach is a person who enables other people to reach their true potential by helping them to overcome the barriers that are keeping them from doing something they want to achieve.

Approachability is the attitude or demeanor that lets another person know that you are open and available to talk to him/her. Persistence is continuing to work at a task or idea until the desired outcome is achieved. Humility is the lack of pride. Dependability is doing what you say you will do.

SOURCE: EI:041

SOURCE: QS LAP 7—Bring Out the Best

50. A

Interferes with the group's output. When there are frequent personality conflicts in a work group, the result is usually that it interferes with the group's output, overall effectiveness, and performance. Conflicts may not bring the work effort to a standstill, but they will slow it considerably. People who have frequent personality conflicts are generally not compatible.

SOURCE: EI:037

SOURCE: EI LAP 5—Can You Relate? (Positive Working Relationships)

51. C

Credit. Credit is the arrangement in which businesses and individuals can purchase now and pay later.

One option businesses have to obtain credit is to secure credit cards from lending institutions.

Businesses can obtain the goods and services they need right away, such as airline tickets and supplies, and then pay for the items when they receive their statement from their lending institutions. Businesses often purchase the things they need to operate effectively online. In fact, many web-based businesses will only accept credit cards as a form of payment. Debit cards, ATM cards, and store-value (gift) cards do not delay payment.

SOURCE: FI:058

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2005). *Personal finance* (pp. 126-127, 160-162). New York: Glencoe/McGraw-Hill.

52. C

Unit of measure. Money can serve as a unit of measure to determine or compare the relative worth of different products. Chris compares the monetary value of the two candy bars and selects the less expensive one. While money does serve as the medium of exchange in this example, the fact that Chris is using money instead of some other medium of exchange does not directly impact his decision. Money would serve as the medium of exchange even if he purchases the more expensive candy bar. Store of value means that money can be held over time and still have purchasing power at a later date. The money that Chris is using is not a commodity because it does not have another use.

SOURCE: FI:060

SOURCE: Slideshare. (n.d.). *Money: Its uses and characteristics*. Retrieved August 2, 2012, from <http://www.slideshare.net/Geckos/uses-and-characteristics-of-money-presentation>

53. B

Exceed the rate of inflation. When making investments, it is important to consider the time value of money, which is the difference between the money's current purchasing power in relation to its purchasing power at a future date. Earnings from investments can come in different forms, such as accumulated interest from debt securities or dividends from equity securities. At the end of the investment period, a successful investment will yield more money than the investor started with. However, it is important to consider the rate of inflation—which is an increase in prices of goods and services. If inflation increases more rapidly than the investment earns (e.g., 10%) during the investment period, then the value of money earned will not yield the desired results. Documents and forms do not affect the time value of money.

SOURCE: FI:062

SOURCE: Dlabay, L.R., & Burrow, J.L. (2008). *Business finance* (pp. 89-92, 180). South-Western Cengage Learning.

54. D

Increase sales volume. Retail credit allows the consumer to purchase now and pay later. Credit encourages customers to buy impulse items and larger quantities or more expensive items, all of which increase a business's sales volume. Because of increased record-keeping expenses and bad-debt losses, offering credit does not lower operating costs but increases them. Offering credit is unrelated to any decisions concerning business hours.

SOURCE: FI:002

SOURCE: FI LAP 2—Give Credit Where Credit is Due (Credit and Its Importance)

55. D

College education. Most new parents begin saving for their children's college education after they are born, but some begin earlier. Tommy will likely have to pay for his own retirement and life insurance. As soon as he is born, he will likely be put on their health insurance until he can afford his own.

SOURCE: FI:064

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 266). New York: Glencoe/McGraw-Hill.

56. A

Non-essential. The gum and the magazine are extras. An example of an essential expense would be paying the rent or car loans. Rent and car loans are also examples of fixed expenses. Variable expenses are also essential expenses, but they vary from month to month. Some examples are heating and electric bills, and gasoline.

SOURCE: FI:066

SOURCE: eHow.com. (1999-2012). *How to identify "essential" and "nonessential" expenses*. Retrieved August 2, 2012, from http://www.ehow.com/how_12211191_identify-essential-nonessential-expenses.html

57. D

\$1,014.11. Gross earnings are an employee's wages before taxes and other deductions, such as medical insurance and union dues, are withheld from his/her paycheck. Net pay is the amount of money the employee receives in his/her paycheck after deductions are subtracted. Employers provide an itemized list of earnings and deductions on the employee's pay stub. To calculate Jason's gross earnings for the pay period, add his net pay, total tax obligation, medical insurance, and union dues together (\$796.84 + \$157.27 + \$45.00 + \$15.00 = \$1,014.11).

SOURCE: FI:068

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

58. 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 for 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.

59. A

Buy more with his card than he can afford. If Jeff does this, he will be headed towards a mounting credit card debt. He should pay his bill on time to build good credit. Thinking of his card as a loan and tracking his spending habits will keep him from overspending.

SOURCE: FI:071

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 171]. New York: McGraw-Hill Irwin.

60. A

Validating credit history. If Eric had not checked his credit score, he would not have known that the credit bureaus mishandled his report. This example shows one of the steps for buying a house, but it is not an example of the importance of buying a house. Paying rent on time is one way to develop good credit; neither are truly illustrated in this example.

SOURCE: FI:072

SOURCE: GettingaCreditCard.com. (2006-2012). *Common practice of very responsible credit card users*. Retrieved August 2, 2012, from <http://www.gettingacreditcard.com/article12.shtml>

61. A

Identity theft. Identity theft occurs when someone illegally obtains another person's information and uses that information to assume the other person's identity. One way to protect against identity theft is to immediately contact the credit-card company if credit cards are lost. If the cards fall into the hands of an unauthorized person, that person can attempt to use the cards as if s/he was the owner of the card. This is a type of identity theft. If someone uses another person's credit card illegally, the penalty is not excessive and, in many situations, there is no penalty if the company is notified before any illegal use occurs. Therefore, there is virtually no financial risk. Immediately contacting the credit-card company does not protect against high interest rates.

SOURCE: FI:073

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 181-182). New York: Glencoe/McGraw-Hill.

62. B

Securities. In investing, legal owning- or lending-agreements between individuals, businesses, or governments are known as securities. Securities can be separated into "owning" and "lending" categories. Collateral is anything of value belonging to the borrower that is pledged to the lender to guarantee that the loan will be repaid. Premiums are the fees paid by policyholders to insurance companies to maintain insurance policies. Guarantees are sometimes provided by sellers to buyers in a purchase situation.

SOURCE: FI:077

SOURCE: QS LAP 32—Risky Business

63. A

Contract. Insurance is a contractual agreement in which one company (insurer) will pay for specified losses incurred by the other company (insured) in return for installment payments (premiums). Insurance is a legal contract which may be terminated if the business fails to pay the agreed-upon payments or to live up to the other terms of the contract. For example, a business may be required to maintain the facility in good condition so it is safe. When a business purchases an insurance policy, it is not agreeing to the terms of a charter. A premium is the installment payment. The business is the policyholder.

SOURCE: FI:081

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 411). New York: Glencoe/McGraw-Hill.

64. A

Protection from theft and fraud. The accounting system should be set up in a way that makes it difficult for employees to gain access to the system and make changes to the information. The cost of operating the system and the capability to generate printed financial statements are not related to the issue of theft. A business would not be likely to maintain both a computerized and a manual accounting system.

SOURCE: FI:085

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

65. C

Has cash available to use. The cash conversion cycle is the ratio that reflects the number of days between a company paying for raw materials and receiving cash from selling the products made from those raw materials. The longer this period of time, the longer the company's money is tied up and unavailable for other uses. Therefore, a financial manager strives to keep the cash conversion cycle as short as possible, so that the business has more free cash to work with. A dividend is the amount of money that a corporation pays to a stockholder as earnings on an investment. The profit margin is a product pricing consideration. The profit margin is the amount of money that a business earns on sales after expenses and is expressed as a ratio. Liquid assets are things of value that the business owns, which can be quickly converted to cash.

SOURCE: FI:354

SOURCE: FI LAP 7—Money Matters (Role of Finance)

66. C

Staffing the business. Human resources management is the process of planning, staffing, leading, and organizing the employees of a business. Staffing is an important function because hiring and keeping qualified employees will contribute to the success of the business. Employees who are capable and hard-working usually help the business to achieve its goals and be successful. It is not possible to completely eliminate turnover. Management usually decides if it needs to expand and create more jobs. Human resources management administers the compensation package, but it is not responsible for reducing compensation.

SOURCE: HR:410

SOURCE: HR LAP 35—People Pushers (Human Resources Management)

67. A

Promotion. The example illustrates an advertising activity that is part of the promotion function. Purchasing is a business activity necessary to obtain goods and services for use in the operation of a business. Selling is responding to customer needs and wants through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Product/Service management is the marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities.

SOURCE: MK:002

SOURCE: MK LAP 1—Work the Big Six (Marketing Functions)

68. A

Internet. The Internet is a worldwide network of computers that enables users to access information and communicate with others. Many businesses use the Internet to obtain needed external information efficiently. For example, businesses can access the web sites of governmental agencies as well as competitors to find information about specific issues. This is a fast and efficient way to obtain information from a variety of sources without needing to visit the library and look through printed materials such as textbooks. Software instructs computers to perform specific operations. Not all software is used to obtain information.

SOURCE: NF:078

SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 139-143]. Upper Saddle River, NJ: Pearson Prentice Hall.

69. C

Formal sales presentation. Presentation software is often used to provide visual support for oral presentations. Presentation software is often used during sales presentations to provide customers or prospective customers with visual information about the product's attributes and benefits. Graphic depictions of products are especially useful for items that cannot be easily transported to other locations because the audience can see an image of the product. Status meetings, employee performance reviews, and union contract negotiations are not the most appropriate business situations in which to use a computer-generated slideshow to highlight product information. The purpose of a status meeting is to update the team about various aspects of a project. An employee performance review is a tool to provide workers with feedback about their work efforts. Union contract negotiations occur when management and labor representatives meet to reach agreement about the workers' pay, benefits, working conditions, etc.

SOURCE: NF:080

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 201-202). Woodland Hills, CA: Glencoe/McGraw-Hill.

70. A

The Sarbanes-Oxley Act. The Sarbanes-Oxley Act of 2002 is a major federal law regarding information management and accounting records. Businesses must take proper steps to comply with this legislation. The Sherman Anti-Trust Act relates to monopolies. The Landrum-Griffin Act and the Taft-Hartley Act both relate to labor issues.

SOURCE: NF:110

SOURCE: NF LAP 3—In the Know (Nature of Information Management)

71. A

Computer-aided design. This technology allows companies to experiment with different design combinations for new products without investing time and money in building prototypes or going into production. Computer-assisted manufacturing is used in actual production. Data processing gathers and analyzes information but does not design product features. Artificial intelligence is software that allows computers to learn and make decisions.

SOURCE: NF:003

SOURCE: wiseGEEK. (n.d.). *What is CAD software?* Retrieved August 2, 2012, from <http://www.wisegeek.com/what-is-cad-software.htm>

72. B

Information systems. An information system is a method of gathering, storing, and analyzing data for the purpose of making business decisions. Businesses acquire vast amounts of information that must be stored and analyzed to make it useful. An effective information system enables a business to quickly and accurately process information and use that information to make decisions. Businesses do not develop operating procedures, survey methods, or management policies to be able to store and analyze data for the purpose of making business decisions.

SOURCE: NF:083

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 594). New York: Glencoe/McGraw-Hill.

73. D

It permanently stores the computer program files and data. The hard drive is the component of the computer's central processing unit (CPU) that stores the computer's program files and inputted data. A sound card is a device that transmits sound waves through the computer so the user can hear audio elements. A computer monitor allows the user to view the computer data. The power supply transmits power to other computer devices (e.g., printer) so they can operate.

SOURCE: NF:084

SOURCE: Computer Knowledge For You. (2012). *Computer components knowledge*. Retrieved August 2, 2012, from [http://www.computerknowledgeforyou.com/computercomponents/computer_components.htm](http://www.computerknowledgeforyou.com/computercomponents/computer_components.html)

74. C

Wireless Fidelity. Wireless Fidelity (Wi-Fi) allows computer users to access the Internet through radio frequencies, which don't require a physical connection to power grids. Wireless Internet allows users the ability to access their e-mail and various web sites from their laptop computers or cellular telephones from different locations. Analog or dial-up Internet access involves using telephone lines that are connected to a modem. Broadband cable requires a cable modem to access the Internet. A portal is a popular starting point for surfing the Web (e.g., Yahoo).

SOURCE: NF:086

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 208-210). Woodland Hills, CA: Glencoe/McGraw-Hill.

75. C

Coca-Cola AND current market share AND cola AND United States. Search engines need to be given directions using exact wording. Using "AND" links all of the required information together and gives a more productive search. The more exact the wording, the more narrow the responses returned, and the less time wasted on unrelated responses. Using "OR" as the logical operator will tell the search engine to return information on individual topics instead of responses that include all four topics. The "AND/OR" could return responses on either Coca-Cola or market share. It could also give you Coca-Cola market share, but it might not; or it might be for a country other than the United States. The "Coca-Cola OR current market share OR cola AND United States" could return responses for other companies, other industries, or information on cola in the United States, but not the specific information needed.

SOURCE: NF:006

SOURCE: Google. (2012). *Google search basics: More search help*. Retrieved August 2, 2012, from <http://www.google.com/support/websearch/bin/answer.py?hl=en&answer=136861>

76. A

Use the edit undo command. The edit undo command allows the computer user to "undo" a previous action, such as deleting text by mistake. Although it is possible to retype the paragraph or to copy the text from another document that contains the text, these actions are not as quick and easy as using the edit undo command. A template is a standard format that helps users develop documents.

SOURCE: NF:007

SOURCE: Lamers, D. (2009). *Chapter 8—Essential stuff: Undo*. Retrieved August 2, 2012, from <http://www.computersforretirees.com/chapter8.html>

77. D

Database. A database program allows the organized collection of information with pieces of information related to one another. This information can be used to maintain, analyze, and combine customer information. Spreadsheets, word-processing software, and computer-aided design do not perform the functions required by the hotel.

SOURCE: NF:009

SOURCE: Chapple, M. (n.d.). *What is a database?* Retrieved August 2, 2012, from <http://databases.about.com/od/specificproducts/a/whatisadatabase.htm>

78. C

\$159.60. Spreadsheets are computer software programs and are used to save, sort, and update information. Formulas are programmed into the software that can automatically calculate numerical data such as percentages. Businesses often use spreadsheets to record, manage, and analyze a variety of financial, sales, and inventory information. In this example, the manager is using a spreadsheet program to calculate the sale price ($\$228.00 \times 30\%$ or $.30 = \$68.40$; $\$228.00 - \$68.40 = \$159.60$).

SOURCE: NF:010

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 574-575). Woodland Hills, CA: Glencoe/McGraw-Hill.

79. D

Web server. After creating a web page, the developer needs to post the web page through a web server or Internet service provider (ISP). The Web server or ISP may charge a fee to post and store the web page, although some web servers will provide the service free of charge. Developers post web pages for many reasons, which may include selling products to interested audiences. Legal permits are not required to post a web page.

SOURCE: NF:042

SOURCE: Build-Website.com. (2010). *Upload web page*. Retrieved August 2, 2010, from <http://build-website.com/guide/upload.html>

80. C

Product. Operations activities vary depending on a business's product. The product a business makes or provides affects every aspect of operations. A business's name, tax return, or address should not affect its operations activities.

SOURCE: OP:189

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

81. A

Reporting noncompliance. Certain government agencies have developed health and safety regulations that businesses are expected to follow in order to provide employees with a safe work environment. If businesses do not comply with these regulations, they should be reported for noncompliance so the necessary action can be taken to solve the problem and make the workplace safe for employees. The goal is to correct dangerous situations and keep the workplace safe. An employee notifying a government agency is not an example of spreading gossip, unethical behavior, or verbal communication. In fact, the employee is exhibiting ethical behavior. Also, the employee may have notified the agency in writing which is nonverbal communication.

SOURCE: OP:005

SOURCE: Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 407-408). Tinley Park, IL: Goodheart-Willcox.

82. B

Fatigue. Fatigue is a state of mental and/or physical tiredness. Being fatigued can cause workers to have difficulty paying attention on the job, to make mistakes, or to have accidents. Horseplay is behavior such as running, jumping, wrestling, or showing off. Poor housekeeping can create such hazards as tools or equipment on the floor for people to trip over or spilled liquids that can cause people to fall.

SOURCE: OP:007

SOURCE: Medical News Today. (2007, January 15). *Fatigue in the workplace is common and costly*. Retrieved August 2, 2012, from <http://www.medicalnewstoday.com/articles/60732.php>

83. D

Find out how serious it is. In order to know what needs to be done or how much help is needed, employees need to find out whether the accident victim's injuries are minor or life threatening. Taking the victim's pulse should be done by medical personnel. Depending on the seriousness of the injury, it may be necessary to call a doctor or an ambulance, but an injured person should not be moved.

SOURCE: OP:009

SOURCE: Spears, M.C., & Gregoire, M.B. (2004). *Foodservice organizations: A managerial and systems approach* (5th ed.) [pp. 320-323]. Upper Saddle River, NJ: Prentice Hall.

84. B

Robbery. To steal money from Puritan Supermarket, the robbers used force, violence, and fear to persuade the cashier to give them the money in the cash register. Robbery is theft that involves the use of force, violence, or fear. Shoplifting is the theft of goods by customers. Burglary is any illegal entry into a building to commit a theft. Embezzlement is theft of valuables that have been entrusted to one's care.

SOURCE: OP:013

SOURCE: Montaldo, C. (n.d.). *Robbery prevention tips for businesses*. Retrieved August 2, 2012, from http://crime.about.com/od/prevent/qt/prevent_robbery.htm

85. C

Their stores are geographically distant. Some retail chains have grown so large that central buying can no longer effectively purchase for geographically distant stores. In response to this development, many large retail firms have decentralized their purchasing operations by dividing the country into districts and delegating part of central buying's responsibility to district managers who are more familiar with local stores. Businesses usually obtain lower prices for large orders. Businesses do not decentralize their purchasing operations because buyers prefer to be independent. Both centralized and decentralized purchasing operations are able to maintain a wide variety of suppliers.

SOURCE: OP:015

SOURCE: OP LAP 2—Buy Right (The Nature of Purchasing)

86. C

Inventory of supplies. All businesses need to maintain an inventory of supplies in order to produce goods and services for customers. Small businesses may only need office supplies while retailers also need supplies to wrap packages. Large manufacturing businesses need vast inventories of resources to produce products. Without an inventory of supplies, businesses will not be able to do even simple tasks. The result might be a loss of customers and a loss of income. Some businesses may need only one vendor rather than a list of vendors. Businesses do not need to maintain a schedule of accounts or copies of invoices to produce goods and services for customers.

SOURCE: OP:031

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (p. 360). Tinley Park, IL: Goodheart-Willcox.

87. A

Capital-intensive. Capital-intensive production processes rely heavily on the use of expensive equipment and materials rather than on the activities of workers. Facilities that generate electrical power are examples of capital-intensive production processes because they use expensive equipment but few workers. Intermittent production processes stop and restart at a later time. Labor-intensive production processes cannot take place without skilled workers. Standardized production processes require simple, repetitive tasks.

SOURCE: OP:017

SOURCE: OP LAP 4—Can You Make It? (Nature of Production)

88. C

Conservative. When in doubt, be conservative. This is especially true in selecting clothes for work. Your work clothes should present a positive image of you and the business for which you work. They should not distract customers from the products you sell or coworkers from doing their jobs. Choosing clothing that is highly advertised, a current fad, or eye-catching would not be as wise as choosing something conservative.

SOURCE: PD:002

SOURCE: PD LAP 5—Brand Me! (Personal Appearance)

89. B

Think in new ways. Employees who have innovation skills are able to think in new ways and come up with new ideas and new solutions to problems and situations. Having innovation skills helps employees to think critically and find effective options and solutions to work-related issues. Employees who have innovation skills do not necessarily behave aggressively or socialize effectively. Having innovation skills helps employees to find solutions to problems rather than react to problems.

SOURCE: PD:126

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 326-329). New York: Glencoe/McGraw-Hill.

90. B

Establishing criteria. Setting boundaries is also known as establishing criteria—because criteria give you the parameters within which to make your decision. Pinpointing objectives, identifying alternatives, and making decisions are separate steps in the nine-step decision-making model—and are not involved in the setting of boundaries.

SOURCE: PD:017

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

91. D

Taking courses required of those who do this kind of work. Whether you can complete the courses successfully will tell you whether you can succeed in a particular field. For example, doing well in basic and advanced accounting courses would indicate you have a good chance of being successful as an accountant. Talking to someone in the field, asking your counselor for information about job opportunities, and contacting businesses in the field are good ways of gathering information; but they are not predictors of success.

SOURCE: PD:013

SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [p. 482]. Mason, OH: South-Western Cengage Learning.

92. D

Equal pay. Many governments have established laws to help protect employees' rights in the workplace. One right employees have is to earn fair and equal pay for performing the same work as others. In many countries, it is illegal to pay an employee on the basis of race, age, or gender, because this is a form of discrimination, and it violates employees' rights. Employees do not always join labor unions, which is dependent on the industry and the nature of the work. Employees have the right to expect and receive proper training and supervision under safe working conditions; however, the example does not indicate that these rights have been violated.

SOURCE: PD:021

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 237-239). New York: Glencoe/McGraw-Hill.

93. C

Things. Individuals should consider what they like to do, their favorite activities, when identifying possible occupations. For example, some individuals enjoy operating machinery, driving vehicles, or using tools. As a result, they might consider a career that involves working with things which are tangible items. Examples include a landscaper who operates equipment and drives a truck, and a carpenter who uses tools to build furniture. Careers that involve working with people and animals require a lot of personal interaction and patience. Careers that involve working with information involve keeping track of data such as facts and statistics.

SOURCE: PD:023

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 33-34). New York: Glencoe/McGraw-Hill.

94. D

Have lower start-up costs. The initial cost of business start-ups depends on a number of variables. One factor that influences start-up expense is work space. Because a home-based business is run from the business owner's residential dwelling, it lowers the cost by not having to rent space or build a facility. Entrepreneurial ventures do not guarantee steady income or higher profit margins. The degree of professional training depends on the type of business the entrepreneur is running. Therefore, it cannot be assumed that most home-based business owners require less technical training.

SOURCE: PD:066

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

95. A

Guidance office. Most schools have a guidance office that local businesses often contact when they are looking for workers. Students searching for jobs should check the listings that are posted in the guidance office. The guidance office also will have information about those job openings that will be helpful to students wishing to apply. The athletic department, computer lab, and auditorium usually do not maintain lists of available jobs although staff in those offices may know of jobs specific to their fields.

SOURCE: PD:026

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 114-115). New York: Glencoe/McGraw-Hill.

96. D

Having a personal data sheet. A personal data sheet is a list of information such as the applicant's Social Security number; the names, addresses, and telephone numbers of references; dates of previous employment; grade-point average; and any other data that might be asked for on a job application. Job applicants who prepare and use a personal data sheet can fill out job applications quickly, easily, and accurately because they have all the data they need on the sheet. Job applications are generally filled out by hand not by computer. Keeping a file of job leads helps the applicant to organize his/her search for a job. Knowing someone at the business would not necessarily help a job applicant to complete a job application.

SOURCE: PD:027

SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [pp. 44-46]. Mason, OH: South-Western Cengage Learning.

97. B

Include anything that the applicant forgot to mention. Many job applicants find the interview process nerve-racking. After the interview, an applicant may think of some important fact about himself/herself that they forgot to tell the interviewer. It is appropriate for the applicant to include this information in a follow-up letter, which could help the him/her to get the job. A letter is not likely to overcome the impression that a nervous applicant made during an interview, but it may modify it somewhat. Letters demonstrate written communication skills, not oral. Interviewers must remain objective in order to hire the most qualified candidate for the job, which makes it unlikely that a hiring decision would be based on a letter.

SOURCE: PD:029

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [pp. 71-72]. Mason, OH: South-Western Cengage Learning.

98. C

Online. Many businesses maintain job application information online which makes it possible for individuals to submit online applications. However, it is still important to write a letter of application and include the letter as part of the online application. The purpose of the letter is to express interest in a specific job and provide basic information about qualifications. When applying for jobs in person or by telephone, it is often not necessary to write a letter of application. Individuals usually do not apply for jobs indirectly.

SOURCE: PD:030

SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [pp. 55-57]. Mason, OH: South-Western Cengage Learning.

99. A

Kelly volunteers at a local radio station. One way to obtain work experience is by volunteering. Volunteer work involves donating time without pay to complete tasks or projects. By volunteering at the radio station, Kelly can gain insight about a potential career interest, and she gains experience that might help her obtain a paying position in radio in the future. Hiring someone to cut the lawn or perform contract work involves payment. Researching careers might provide Sarah with insight, but this activity won't provide her with on-the-job experience.

SOURCE: PD:032

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

100. A

Planning. Planning includes deciding what will be done and how it will be accomplished. Managers begin the planning process by determining the goals and objectives they want the business to achieve. Organizing is setting up the way the business's work will be done. Staffing is finding workers for the business, and controlling is monitoring the quantities being produced as well as the efficiency of production.

SOURCE: SM:001

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