



SAMPLE EXAM

BUSINESS ADMINISTRATION CORE

THE BUSINESS ADMINISTRATION CORE EXAM IS
USED IN THE FOLLOWING EVENTS:

PRINCIPLES OF BUSINESS MANAGEMENT AND ADMINISTRATION **PBM**

PRINCIPLES OF FINANCE **PFN**

PRINCIPLES OF HOSPITALITY AND TOURISM **PHT**

PRINCIPLES OF MARKETING **PMK**

These test questions were developed by the MBA Research Center. Items have been randomly selected from the MBA Research Center's Test-Item Bank and represent a variety of instructional areas. Performance indicators for these test questions are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided.

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Posted online March 2019 by DECA Inc.

1. After only her seventh month in business, Martha realized that her new business venture was paying off, and she would be taking home a \$1,000 profit for the month. Finally, she could reap the financial rewards of being the boss. This is an advantage of what type of business ownership?
 - A. Merger
 - B. Partnership
 - C. Corporation
 - D. Sole proprietorship

2. For her new job, Tasha has been asked to write a report. She has found a website with information regarding her topic. Which of the following would help her identify whether the information on this site is accurate:
 - A. A table of contents
 - B. A bibliography
 - C. A professional-looking website design
 - D. A date of modification less than one year old

3. The office photocopier is jammed again! Fortunately, there is an instruction manual to guide you through the process of removing the jammed paper. What is the best way to use the manual to clear the photocopier?
 - A. Perform the first step, and then verify that you have performed it correctly in the manual. Repeat this process in sequential order until all the steps are completed.
 - B. Read the entire manual in sequential order and then perform all of the steps in reverse order to remove the jammed paper.
 - C. Briefly skim the manual in reverse order and then follow the steps in sequential order to remove the jammed paper.
 - D. Read step one and then perform step one. Repeat this process in sequential order until all of the steps are completed and you have removed the paper.

4. What is an effective way to support and encourage someone who is talking to you?
 - A. Avoid making any noise while the speaker is talking
 - B. Interrupt the speaker to debate what s/he has said
 - C. Clap as the speaker makes each of her/his main points
 - D. Make comments such as “yes” or “I see” occasionally

5. The employee didn't listen to the manager's explanation about how to perform a certain task because s/he had done a similar job before. Which of the following factors caused the employee not to listen effectively:
 - A. Past experiences
 - B. Attention span
 - C. Age differences
 - D. Language skills

6. Which of the following adds meaning to the words a speaker uses:
 - A. Tone of voice
 - B. Tempo
 - C. Accuracy
 - D. Economy of speech

7. If a message recipient is frowning and has clenched fists, the emotional response that s/he is most likely displaying is
 - A. anger.
 - B. sadness.
 - C. joy.
 - D. nervousness.

8. Ashley is helping Laia make soup. Ashley says, "Chop up your carrots. But first, find your cutting board. And before that, make sure you have all your ingredients." What mistake is Ashley making in giving directions?
- Giving directions that are too challenging
 - Giving directions out of order
 - Using too many big words
 - Using too much negative language
9. What should employees be willing to accept when defending their ideas objectively?
- Nonverbal support
 - Additional responsibility
 - Critical feedback
 - Personal attack
10. What should a business employee do immediately after taking a telephone message for a coworker?
- Contact a supervisor
 - Write an inquiry
 - Thank the caller
 - File the information
11. Writing key points on notecards and then placing the cards in order of their importance is one way to
- revise facts.
 - access files.
 - organize information.
 - verify accuracy.
12. You're giving a presentation about your company's budget, and you want to show how the budget is divided among departments. Which type of visual aid should you use?
- A line graph
 - A pie chart
 - A bar graph
 - A table
13. Written communication is less effective when readers must
- find the information they need within the communication.
 - follow the writer's logical train of thought.
 - work to understand what the communication means.
 - spend a minimum amount of time reading the communication.
14. Before sending a professional email message to a business associate, a businessperson should
- make sure that the message is typed in capital letters.
 - code the message's importance as "high priority."
 - proofread the message for spelling and grammatical errors.
 - insert a vague statement in the message subject line.
15. Which of the following is an example of an informational message geared toward an external audience:
- An inventory report
 - An employee handbook
 - A print advertisement
 - An office calendar
16. Which of the following information should be shared immediately with all staff:
- A customer has requested that the business extend its hours.
 - An employee of the business has been caught shoplifting.
 - A customer has complained about the service s/he received.
 - An employee of the business may soon be transferred out of town.

17. Which of the following will help you have a pleasant voice when speaking to customers:
- A. Speaking at a comfortable volume
 - B. Speaking very slowly
 - C. Speaking quickly
 - D. Speaking in a monotone voice
18. A business's service orientation is its level of commitment to
- A. satisfying customers.
 - B. maximizing profits.
 - C. surpassing competitors.
 - D. gaining respect.
19. "I'd like to have that in writing before I give you my money," best describes the _____ customer.
- A. slow/methodical
 - B. dishonest
 - C. disagreeable
 - D. suspicious
20. A good way to immediately calm an irate customer who has just made an angry complaint is to
- A. tell the customer s/he needs to contact the corporate office.
 - B. explain company policy related to the complaint.
 - C. ask the customer why s/he thinks there is a problem.
 - D. thank the customer for identifying the problem.
21. A company consistently fulfills its brand promise by using
- A. external publicity.
 - B. touchpoints.
 - C. product-line extensions.
 - D. tangible services.
22. A determining factor in what consumers buy and what producers make is
- A. price controls.
 - B. market research.
 - C. economic votes.
 - D. money.
23. Tuition reimbursement is a way to combat the problem of limited
- A. natural resources.
 - B. human resources.
 - C. capital goods.
 - D. consumer goods.
24. Monica has \$850 for a new computer. The salesperson at the electronics stores tries to get Monica to purchase a computer that costs \$1,100, but Monica can't because she doesn't possess the
- A. buying power.
 - B. equilibrium.
 - C. elasticity.
 - D. utility.
25. Selling goods and services to customers in their homes is an example of
- A. wholesaling.
 - B. retailing.
 - C. discounting.
 - D. producing.

26. A business purchases insurance to protect against the risk of burglary. This is an example of _____ the risk.
- A. transferring
 - B. preventing
 - C. retaining
 - D. bonding
27. A business advertises, "Prove to us that you can buy it cheaper somewhere else, and we'll meet the lower price." This is an example of which of the following competitive techniques:
- A. Price fixing
 - B. Discounts
 - C. Price matching
 - D. Rebates
28. One way in which the government helps protect business property is by
- A. setting tariffs.
 - B. granting subsidies.
 - C. issuing bonds.
 - D. registering trademarks.
29. Why is it important for individuals to assess their personal strengths and weaknesses?
- A. To be able to negotiate their contracts
 - B. To get the most bang for their buck
 - C. To be able to respond appropriately in a crisis
 - D. To improve their performance
30. How can interest and enthusiasm give people a good outlook on life?
- A. By enabling them to keep their frustrations to themselves
 - B. By keeping frustrations from coming their way
 - C. By minimizing the impact of frustrations
 - D. By enabling them to be aggressive with others who cause frustrations
31. When Joe finishes stocking shelves, he waits to be told what to do next. Joe's manager would like for Joe to keep himself busy. Which of the following traits would Joe's manager like for Joe to develop:
- A. Initiative
 - B. Creativity
 - C. Leadership
 - D. Assertiveness
32. Christie's coworkers know that she won't repeat what they tell her if they ask her not to do so. This indicates that Christie is a(n) _____ coworker.
- A. trustworthy
 - B. straightforward
 - C. tactful
 - D. efficient
33. Anna's boss frequently demanded that she work late, even though she would not be paid for her overtime hours. Because of this, Anna lost respect for her boss and decided to look for a new job. This example demonstrates
- A. how fairness has little impact on decision-making.
 - B. how fairness is important to professional relationships.
 - C. how the justice approach to fairness is limited.
 - D. how a lack of empathy undermines equality.

34. Every time you spend money on yourself, you expose yourself to
- future debt.
 - relational risk.
 - financial risk.
 - poverty.
35. It's important to look at ethical dilemmas as
- negatives.
 - challenges.
 - opportunities.
 - experiments.
36. Which of the following is a question you should ask yourself to determine whether you're facing a problem or a true ethical dilemma:
- Is money at stake?
 - Could someone be unhappy?
 - Is there an easy or hard choice?
 - Could someone be hurt?
37. Even when things are not going well for Mark, he still believes everything will work out all right. Mark has a(n) _____ attitude.
- positive
 - indifferent
 - superior
 - negative
38. Susie is not happy with her job because her coworkers are always telling her she doesn't do her share of the work. Susie's feelings are the result of
- negative feedback.
 - consideration.
 - lack of skill.
 - cooperation.
39. Students at a local high school must now pay to participate in the sports program because the school levy failed. This situation is the result of what type of change?
- Governmental
 - Personal
 - Social
 - Technological
40. Being able to feel what another person is feeling is known as
- empathy.
 - perspective.
 - jealousy.
 - suspicion.
41. 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
- product adaptation.
 - nationalization.
 - cultural imperialism.
 - globalization.
42. Assertive people are direct and upfront rather than being
- respectful.
 - considerate.
 - manipulative.
 - talkative.

43. Jasmine needs to hold a staff meeting in the conference room at the same time that Jason needs the conference room to meet with a new client. The reason for conflict in this situation is
- limited resources.
 - unclear boundaries.
 - inconsistent behavior.
 - desire for authority.
44. Which of the following is a true statement regarding ethical behavior:
- Ethical behavior always leads to increased profits.
 - If you see the importance of ethics, you will never make mistakes.
 - Ethical behavior is not difficult to implement.
 - Sometimes even ethical people are tempted to act unethically.
45. A mission statement primarily deals with
- what you are doing right now.
 - what your original idea was.
 - what you have done in the past.
 - what you regret not doing in the past.
46. One of the benefits of being adaptable is that it enables employees to
- manage their time.
 - deal with change.
 - take the initiative.
 - avoid a conflict.
47. A business manager who wants to lead change in the company needs to be
- persuasive.
 - emotional.
 - forceful.
 - conservative.
48. Taking responsibility for your team's success or failure in achieving the vision is part of a team leader
- being enthusiastic.
 - establishing good working relationships.
 - being an example.
 - being a good listener.
49. Workers who enjoy close supervision and specific instructions will feel most comfortable working under a(n) _____ leader.
- republican
 - authoritarian
 - democratic
 - laissez-faire
50. Being exposed to conflicting viewpoints can help you
- earn more money at work.
 - improve your social standing.
 - decrease your workload.
 - broaden your horizons.
51. 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.
- store of value
 - medium of exchange
 - unit of measure
 - commodity

52. Putting \$100 in a savings account today and earning 4% interest over the next year illustrates the concept of
- principal modification.
 - the time value of money.
 - opportunity cost.
 - inflationary impact.
53. A business advertised new-product financing with a 10% down payment and a low interest rate with monthly payments spread over four years. What type of loan was the business offering?
- Single payment loan
 - Installment loan
 - Cash payment
 - Revolving credit loan
54. Insurance is a key element in lifelong financial planning that
- provides protection against financial losses.
 - protects a person from unethical salespeople.
 - guarantees a solid financial future.
 - is available only to property owners.
55. Using a credit card is
- like getting a free loan if you pay the balance each month.
 - a good way to pay for impulsive purchases.
 - an inexpensive way to borrow money for an extended period.
 - a privilege reserved for working adults.
56. When Jeremy develops his personal budget, he should categorize the money that he spends on food, clothing, and entertainment as
- periodic investments.
 - fixed costs.
 - relational outflows.
 - variable expenses.
57. The key factors involved in compounding growth are the amount of money you invest, how much your investment grows each year, and
- how long your money is invested.
 - how you earn the money that you invest.
 - your educational background and career.
 - your mutual fund manager's education.
58. If William wants to determine the dollar amount that he has earned before taxes and other deductions for the pay period, he should look at the _____ on his paycheck stub.
- net pay
 - gross wages
 - year-to-date gross earnings
 - year-to-date net income
59. Which of the following pieces of information appears on a check:
- The payee's name
 - The payer's credit account number
 - The name of the payee's bank
 - The payer's credit score

60. Matt is balancing his checkbook for the first time. He compares the checks he has written over the last month with those listed on his statement and finds that all of his checks have cleared. Next, he verifies that his latest paycheck, which he deposited the previous day, is on the list. It is not, so he adds it to his statement balance. After this, he should
- call the bank for a new statement.
 - subtract any interest.
 - subtract fees and charges.
 - consider everything done.
61. When Jake pays his bills, he must write a check or provide his credit card number on the bills, which he then places in envelopes to mail. To protect himself from identity theft, he should
- put the envelopes in his mailbox for pick up.
 - take the envelopes to the post office.
 - make sure that he includes his address on the envelope.
 - verify that his billing information is correct.
62. Failing to pay credit card bills on time will likely result in
- an increase in credit score.
 - no penalties or consequences.
 - late fees and interest charges.
 - being fired from your job.
63. Which of the following is an example of an ownership investment:
- Money market accounts
 - Certificates of deposit (CDs)
 - Stocks
 - Savings accounts
64. For financial information to be relevant, it must also be
- digital.
 - certified by an auditor.
 - timely.
 - perfect.
65. Information that a business keeps in its accounting records includes its
- goods and services.
 - revenues and expenses.
 - trends and forecasts.
 - market share and profit.
66. Which of the following documents will allow the beneficiary of an estate to avoid probate:
- Will
 - Living will
 - Living trust
 - Power of attorney
67. What is the first step in the staffing process?
- Determining need
 - Hiring
 - Interviewing
 - Recruiting
68. Determine which function of marketing addresses the following question: Is the product packaged appropriately?
- Product/Service management
 - Selling
 - Marketing-information management
 - Pricing

69. Todd needs to develop an overall plan for his business but does not know what type of information to include in the document. Todd logs onto a search engine to quickly locate the information he needs. Which of the following search terms is most likely to provide Todd with desired search results:
- A. Plan components
 - B. Develop planning document
 - C. Business plan elements
 - D. Business document components
70. Information that has been printed for publication is often more reliable than many Internet sources because
- A. the information is typically carefully checked for accuracy.
 - B. authors have affiliations with professional organizations.
 - C. published information is current and up to date.
 - D. publishers do not support special interest groups.
71. Which of the following is an advantage to businesses of using web-based services for storing business records online:
- A. Web-based service companies rarely experience technical problems.
 - B. The online service provider updates the records daily.
 - C. Outdated records are automatically discarded without permission.
 - D. The information is available at all times from any computer.
72. How does appropriate information management affect a business's relationship with its customers?
- A. Businesses earn higher profits.
 - B. Businesses serve customers more effectively.
 - C. Businesses lose focus on customers.
 - D. Businesses make better financial decisions.
73. When a business uses computer technology to manage its money and move it among different accounts, it is taking advantage of
- A. electronic transfer of funds.
 - B. hardware.
 - C. expert systems.
 - D. electronic data interchange.
74. You cannot communicate with your computer without
- A. Microsoft Windows.
 - B. a wireless mouse.
 - C. an operating system.
 - D. a mobile device.
75. Which of the following is usually the quickest way that businesses can obtain information about unknown potential new vendors that are located in other parts of the country:
- A. Phone an agent
 - B. Send an email to the vendors
 - C. Fax a request to the vendors
 - D. Search the Web
76. Businesses often use word-processing computer software to produce
- A. detailed reports, memos, and contracts.
 - B. complex graphics, letters, and reports.
 - C. research reports, spreadsheets, and tables.
 - D. business plans, contracts, and spreadsheets.

77. If a business wants to send a mailing to customers in specific geographic regions, it should set the database query to sort its customer information by
- name.
 - sales volume.
 - state.
 - street number.
78. Computer programs that allow businesses to manage all types of activities, such as inventory control and finance, are known as
- integrated software application packages.
 - electronic communications programs.
 - interactive information display packages.
 - wireless connectivity programs.
79. What is an important consideration when selecting graphics and posting them on a business's website?
- Font size
 - Download time
 - Descriptive links
 - Log files
80. Operations activities are most closely related to a business's
- taxes.
 - name.
 - product.
 - location.
81. Who is responsible for making sure that a business is a healthy, hazard-free place to work that complies with government regulations?
- The employer
 - Employees
 - The government
 - Local law enforcement
82. To prevent injuries when operating machinery, it is important to
- know standard first aid.
 - purchase the most efficient equipment.
 - purchase the newest equipment.
 - follow the instruction manual.
83. What is the first thing an employee should do when s/he accidentally spills coffee in the tile hallway?
- Leave it for the cleaning crew
 - Wait for the floor to dry
 - Tell others about the spill
 - Wipe it up immediately
84. Which of the following is a safety procedure that businesses use to track employees who must evacuate a building during an emergency:
- Training an employee to perform CPR if others are injured
 - Assigning an employee to change the smoke-alarm batteries
 - Requiring employees to call managers when they arrive home
 - Designating a central meeting place for all employees
85. Jasmine owns a boutique on a busy street. Although her shop is small, it gets a lot of foot traffic, and she has many customers. Which of the following security procedures should Jasmine follow:
- Keep a large amount of cash in her cash register at all times.
 - Have another person present when she opens up in the morning.
 - Avoid making eye contact with customers who walk into the store.
 - Keep the lighting dim to create an upscale mood.

86. Which of the following is an aspect of any team project that you should monitor during the course of the project:
- A. Team members' friendships
 - B. The planning process
 - C. Emails
 - D. Team members' performance
87. In addition to purchasing, Sherita's job responsibilities include developing partnerships and alliances with suppliers, watching for business threats and opportunities, and looking for ways to improve processes. Sherita is involved in
- A. marketing planning.
 - B. negotiation.
 - C. strategic planning.
 - D. productivity.
88. Some businesses use an automatic reorder system to maintain an adequate
- A. inventory of supplies.
 - B. work environment.
 - C. budget for expenses.
 - D. maintenance system.
89. Why is production important to businesses?
- A. It eliminates competition.
 - B. It creates goods and services businesses can sell.
 - C. It enables businesses to charge high prices.
 - D. It informs businesses about consumers' needs and wants.
90. Your daily personal grooming habits directly impact your personal
- A. hygiene.
 - B. relaxation.
 - C. skills.
 - D. education.
91. What is the first step in developing a personal plan of action?
- A. State your goal(s).
 - B. Record your progress.
 - C. Evaluate the effectiveness of your plan.
 - D. Develop a plan for achieving your goal.
92. A computer company creates a new kind of software. Which type of innovation is this?
- A. Paradigm
 - B. Process
 - C. Positioning
 - D. Product
93. Which of the following is a true statement about developing self-understanding:
- A. No one else can help you identify your interests.
 - B. Self-understanding and self-information are the same.
 - C. You can learn as much from your failures as you can from your successes.
 - D. Choosing a career should be based on your current skills and talents.
94. Paul is a 45-year-old manager of a large company who makes offensive, gender-related comments to Elizabeth, a 28-year old buyer, who has been with the company for six months. Paul's behavior violates Elizabeth's workplace rights because he is engaging in
- A. age discrimination.
 - B. cultural supremacy.
 - C. sexual harassment.
 - D. ethnocentrism.

95. The best way for people to obtain information about a variety of career fields and options is by
- A. accessing online employment services.
 - B. joining social organizations.
 - C. completing job applications.
 - D. reading virtual textbooks.
96. Lucy, who works for the Green Corporation, is responsible for handling special events and responding to requests for information about the company. Lucy works in
- A. merchandising.
 - B. marketing research.
 - C. marketing communications.
 - D. professional selling.
97. A job applicant can best answer an interviewer's questions if the applicant _____ during the interview.
- A. talks excessively
 - B. reads brochures
 - C. listens closely
 - D. takes notes
98. What is the main purpose of writing a follow-up letter after a job interview?
- A. To send a reference list
 - B. To thank the interviewer
 - C. To ask for the job
 - D. To forward a résumé
99. What type of information may be listed in the work experience section of a résumé if the person has had only a few paying jobs?
- A. Personal references
 - B. Technical training
 - C. Career objectives
 - D. Volunteer positions
100. Entry-level positions provide employees with
- A. high salaries.
 - B. basic job experience.
 - C. few advancement opportunities.
 - D. limited training.

1. D

Sole proprietorship. This is a form of business ownership in which the business is owned by only one person, and that person receives any profits made by the business. A merger is the absorption of one company by another rather than a type of business ownership. A partnership is owned by two or more people, and profits would be split between them. A corporation is owned by people who own stock in the business, and they split the profits.

SOURCE: BL:003

SOURCE: LAP-BL-001—Own It Your Way (Types of Business Ownership)

2. B

A bibliography. Citing sources verifies that a website is using accurate information in the same manner that citing sources in a written report confirms accuracy. A table of contents simply shows what is included in the site. It doesn't confirm the accuracy of the contents. A professional look to a website only confirms that the site is designed by a good designer. It does not guarantee that any of the content is accurate. While a recently updated website confirms that information is timely, it does not confirm that the information is accurate. Opinions expressed yesterday by one person are not necessarily accurate, even though they may be current.

SOURCE: CO:054

SOURCE: University of Wisconsin Green Bay. (2018, April 2). *How can I tell if a website is credible?* Retrieved September 20, 2018, from <https://uknowit.uwgb.edu/page.php?id=30276>

3. D

Read step one and then perform step one. Repeat this process in sequential order until all of the steps are completed and you have removed the paper. When assembling or fixing equipment, it is usually easier to understand directions by reading the step, performing the step, and then moving on to the next step in the sequence. By doing so, you are less likely to hurt yourself or the machine. You are more likely to make mistakes (and more likely to hurt yourself or the machine) if you briefly skim the manual, read the manual before performing the steps, perform the steps in reverse order, or perform the step before reading the instructions.

SOURCE: CO:056

SOURCE: Classroom. (2017, March 31). *How to follow written instructions*. Retrieved September 20, 2018, from <https://classroom.synonym.com/follow-written-instructions-2251998.html>

4. D

Make comments such as “yes” or “I see” occasionally. When someone talks to you, nod and make short comments such as “yes” or “I see” occasionally. By doing so, you signal that you are listening to the speaker and hearing what s/he has to say. And, when you nod and make short comments, you show your support and encouragement for the speaker. It is very rude to interrupt the speaker to debate what s/he has said. It is not necessary to clap as the speaker makes each of her/his main points. Rather than not making any noise while the speaker is talking, you should limit yourself to short comments.

SOURCE: CO:082

SOURCE: Grohol, J. (2018, April 12). *Become a better listener: Active listening*. Retrieved September 20, 2018, from <https://psychcentral.com/lib/become-a-better-listener-active-listening/>

5. A

Past experiences. People often think they know what someone is going to say before s/he says it and as a result do not listen well. People's past experiences may influence how well they listen because they think they already know the answer or understand the explanation. Effective listeners try to block out past experiences and focus on what the speaker is saying. Age differences, attention span, and language skills are other factors that may affect how well people listen, but they do not apply to this scenario.

SOURCE: CO:119

SOURCE: University of Minnesota Libraries. (2016, September 29). *5.2 Barriers to effective listening*. Retrieved September 20, 2018, from <http://open.lib.umn.edu/communication/chapter/5-2-barriers-to-effective-listening/>

6. A

Tone of voice. People can change the meaning of their words by changing their tone of voice. For example, the same words can be a request or a command depending upon the tone used to deliver them. Tempo is the rate of speed or rhythm the speaker uses. Economy of speech is using as few words as possible to express an idea. Accuracy refers to the correctness of the message.

SOURCE: CO:147

SOURCE: SocialMettle. (2018, September 11). *Learn to express yourself with good verbal communication skills*. Retrieved September 20, 2018, from <https://socialmettle.com/verbal-communication-skills>

7. A

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

SOURCE: CO:059

SOURCE: Reid, M. (2017, November 21). *Nonverbal signs of anger*. Retrieved September 20, 2018, from <https://classroom.synonym.com/nonverbal-signs-anger-15253.html>

8. B

Giving directions out of order. Directions should be given in the order that tasks should be completed. By giving directions out of order, Ashley risks confusing Laia or causing her to forget some of the directions. Ashley's directions are not challenging, and she isn't using big words. Ashley isn't using negative language.

SOURCE: CO:083

SOURCE: Tower, D. (2008-2014). *How to give instructions in English*. Retrieved September 20, 2018, from <http://www.helping-you-learn-english.com/how-to-give-instructions.html>

9. C

Critical feedback. When employees present their ideas to management or coworkers, they should be prepared to defend those ideas and provide supporting information. They also should be willing to accept critical feedback because others might not agree with the ideas or have different opinions. Being prepared will help employees remain objective and be able to offer logical evidence to back up their ideas. Critical feedback is often useful because it allows employees to view their ideas from a different perspective. Defending ideas usually does not involve accepting additional responsibility or nonverbal support. It is not acceptable to attack employees on a personal level because of their ideas.

SOURCE: CO:061

SOURCE: Baldoni, J. (2010, April 22). *Defend your idea without being defensive*. Retrieved September 20, 2018, from <https://hbr.org/2010/04/defend-yourself-without-being>

10. C

Thank the caller. Answering the telephone and taking messages for coworkers is often part of an employee's everyday routine. It is important for the employee to properly handle the call, and this involves thanking the caller. In many cases, the caller is a customer who is leaving an important message. Therefore, the person taking the call should always thank the caller for contacting the business. The employee taking the message should obtain the necessary information, but does not need to write a detailed explanation or write an inquiry. It is usually not necessary to contact a supervisor unless there is a problem that must be addressed immediately. It is not appropriate to file the information.

SOURCE: CO:114

SOURCE: Money Instructor. (2002-2018). *Basic business telephone skills*. Retrieved September 20, 2018, from <http://content.moneyinstructor.com/1543/phoneskills.html>

11. C
Organize information. Organizing information helps you communicate your message to your audience in a meaningful way. One way to organize information is to write down key points on notecards (index cards). Then, you can place the cards in the order of their importance or categories. The advantage to using notecards to organize information is that you can move them around and reorganize as needed. When you have the information in the order that you want it in, you can efficiently write an outline, report, manual, or article, or prepare a presentation. Placing key points on notecards and placing the cards in a certain order will not help you access files, revise facts, or verify the information's accuracy.
SOURCE: CO:086
SOURCE: A Research Guide for Students. (2017, August 28). *How to write a research paper*. Retrieved September 20, 2018, from <https://www.aresearchguide.com/1steps.html>
12. B
A pie chart. Pie charts are the best way to show how categories make up the whole. For example, a pie chart could help you illustrate how your budget is allocated to the different departments in your company. It would not be as effective to use a bar graph, a line graph, or a table to show this information.
SOURCE: CO:087
SOURCE: National Center for Education Statistics. (n.d.). *How to choose which type of graph to use?* Retrieved September 20, 2018, from http://nces.ed.gov/nceskids/help/user_guide/graph/whentouse.asp
13. C
Work to understand what the communication means. Effective written communication presents information in a clear, easy-to-read style so that readers do not have to try to figure out what the communication is all about. Readers should be able to grasp the communication's message in a minimum amount of reading time. Written communication should follow a logical train of thought, and readers should be able to find the information they need within the communication.
SOURCE: CO:016
SOURCE: Mind Tools Content Team. (1996-2018). *Writing skills*. Retrieved September 20, 2018, from <http://www.mindtools.com/CommSkill/WritingSkills.htm>
14. C
Proofread the message for spelling and grammatical errors. Although many people view email as an informal method of communication, it is a vital communication tool in today's business world. Therefore, it is important to maintain a professional tone when developing business-related emails. The text in a professional email should contain proper grammar and correct spelling. To ensure that the message does not contain spelling and grammatical errors, the businessperson should proofread the message and make necessary corrections before sending the message to the intended receiver. Only the most critical email messages should be sent as high priority messages. Capitalizing all of the letters in the text often implies an angry tone, so this practice should be avoided. Although the subject line should be brief, it should contain enough information for the message recipient to determine the message content. If the subject line is too vague, the recipient may delete the message before reading it.
SOURCE: CO:090
SOURCE: Colorado State University. (1993-2018). *Netiquette rules*. Retrieved September 20, 2018, from <https://writing.colostate.edu/guides/page.cfm?pageid=1498&guideid=74>
15. C
A print advertisement. Informational messages involve communicating data, facts, or knowledge to a message receiver. Print advertisements communicate information about a business's products to customers or potential customers, which are external audiences. An employee handbook, an inventory report, and an office calendar are types of information provided to the business's employees, who are an internal audience.
SOURCE: CO:039
SOURCE: Duggan, T. (2018, June 30). *Examples of external communications in the workplace*. Retrieved September 20, 2018, from <https://smallbusiness.chron.com/examples-external-communications-workplace-10949.html>

16. C

A customer has complained about the service s/he received. This kind of complaint is the type of information that should be shared with all staff right away since it could affect the entire company. In addition, all staff should be reminded of company policy in such areas. Information about employees' problems is likely to be passed through the grapevine, but it should not be announced to staff. Such business decisions as the transfer of employees or changes in hours are usually announced at an appropriate time after they have been made by management.

SOURCE: CO:014

SOURCE: Szaky, T. (2011, September 8). *How much information do you share with employees?* Retrieved September 20, 2018, from <https://boss.blogs.nytimes.com/2011/09/08/how-much-information-do-you-share-with-employees/>

17. A

Speaking at a comfortable volume. To speak pleasantly with customers, you should speak at a comfortable volume—not too loudly or too softly. You also need to vary the tone of your voice and speak neither too quickly nor too slowly.

SOURCE: CR:004

SOURCE: LAP-CR-004—Set Your Mind to It (Customer-Service Mindset)

18. A

Satisfying customers. A business's service orientation is its philosophy of a certain level and quality of service. A business communicates its service orientation in many ways. For example, a business that is committed to providing excellent service will hire competent, courteous employees who are knowledgeable about the business's products. Another way a business communicates its service orientation is through its service policies. A business that is committed to providing excellent service might have liberal product return or replacement policies. When a business provides good service, it is satisfying customers and encouraging repeat sales. The reason customers return to the business is because they appreciate and respect the business's service efforts. Repeat business increases profits and often provides the business with a competitive edge over its competitors.

SOURCE: CR:005

SOURCE: Wellington, E. (2017, May 26). *What does it mean to be "customer service oriented?"* Retrieved September 20, 2018, from <https://www.helpscout.net/blog/customer-oriented/>

19. D

Suspicious. These customers want facts and proof before making the final buying decision. They tend to question everything you tell them. This skepticism may be the result of bad experiences with other businesses. Disagreeable customers are unpleasant and hard to help. Dishonest customers try to avoid paying part or all of the price for a good or service. Slow/Methodical customers require a lot of time to make buying decisions because of shyness or indecisiveness.

SOURCE: CR:009

SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

20. D

Thank the customer for identifying the problem. Letting the customer know that you appreciate hearing about the problem helps calm irate customers. It's difficult for those customers to remain angry when you're letting them know how much you appreciate their information. Asking the irate customer why s/he thinks there is a problem or telling the customer to contact the corporate headquarters would be likely to increase the customer's anger. Explaining company policy may help the situation, but it would be a later step in handling the complaint.

SOURCE: CR:010

SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)

21. B
Touchpoints. A brand promise is a company's agreement, spoken or unspoken, with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. Touchpoints are all of the opportunities that a company has to connect with its customers and reinforce its brand value. Touchpoints may include the company's employees, product attributes and packaging, and technological systems. A company uses various touchpoints to create these experiences for its customers to fulfill its brand promise. By fulfilling its brand promise, the company is more likely to develop loyal customer relationships and repeat business. Companies cannot always control the publicity that they receive from external sources. A product-line extension occurs when the company adds a new product to the existing product line. Services are intangible touchpoints.
SOURCE: CR:001
SOURCE: Glatstein, S. (2018, February 9). *Steps to building a strong brand*. Retrieved September 20, 2018, from <https://www.thebalancesmb.com/steps-to-brand-building-2948332>
22. D
Money. Limited amounts of money force consumers to choose between products for sale and determine which products producers make based on effective allocation of resources. Market research is how producers find out what consumers want to buy. "Economic votes" is a term given to the purchasing choices consumers make. Price controls are artificial ceilings or floors set by governments or by common consent within the market to manipulate the market for consumer or producer benefit.
SOURCE: EC:002
SOURCE: LAP-EC-010—Get the Goods on Goods and Services (Economic Goods and Services)
23. B
Human resources. Tuition reimbursement attracts people to certain jobs over others when there is a labor shortage. Natural resources are items found in nature used to make goods and services. Capital goods are manufactured items used to make other goods and services. Consumer goods are those that are produced for personal use.
SOURCE: EC:003
SOURCE: LAP-EC-014—Be Resourceful (Economic Resources)
24. A
Buying power. Buying power is the amount of money available. If consumers do not have money to spend, they cannot buy products. Because Monica only has \$850, she doesn't have the necessary buying power to purchase a \$1,100 computer. Equilibrium is the point at which the quantity supplied is equal to the quantity demanded. Elasticity is an indication of how changes in price will affect changes in the amounts demanded and supplied. Utility is a product's ability to satisfy a customer's wants or needs.
SOURCE: EC:005
SOURCE: LAP-EC-011—It's the Law (Supply and Demand)
25. B
Retailing. Whenever a sale of goods or services to the ultimate consumer takes place, retailing has occurred. Retailing can take place anywhere—in a store, over the phone, by mail, on the street corner, in a customer's home, etc. Discounting is reducing the price of a good or service. Wholesaling is the process of buying goods from producers and selling them to retailers. Producing is the process of making goods and services.
SOURCE: EC:070
SOURCE: LAP-EC-070—Business Connections (Business and Society)
26. A
Transferring. A risk is reduced or eliminated by transferring, or shifting, the risk factor to some other person or business. When an employee is bonded, his/her employer has purchased an insurance policy to cover possible theft or loss involving that employee. Hiring security guards is an example of preventing the risk. If the business takes no precautions, then it is retaining, or keeping, the risk.
SOURCE: EC:011
SOURCE: LAP-EC-003—Lose, Win, or Draw (Business Risk)

27. C
Price matching. Price matching is a trend among some discount businesses to attract and hold customers by meeting competitors' prices. Price fixing is an illegal practice that occurs when businesses agree on prices of their goods or services, resulting in little choice for the consumer. Rebates are refunds usually offered by the manufacturer of the product. Discounts occur when businesses deduct an amount from the price of a product at the time of purchase.
SOURCE: EC:012
SOURCE: LAP-EC-008—Ready, Set, Compete! (Competition)
28. D
Registering trademarks. Trademarks are symbols, designs, or words used by producers to identify goods or services. They can be registered with the government to prevent their use by others. A subsidy is government financial help given to a business. Bonds are interest-bearing certificates issued by government and promising to pay bond owners a certain sum at a specified time. Tariffs are taxes on imported goods. Both tariffs and bonds raise revenues for the government.
SOURCE: EC:008
SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)
29. D
To improve their performance. Each individual has personal strengths and weaknesses. Assessing strengths will allow an individual to build on those strengths. It is also important to assess weaknesses because those are areas that need improvement. For example, an individual might find that it will be necessary to improve his/her computer skills in order to improve performance and be considered for a promotion. It may be difficult to improve performance if individuals have not identified their personal strengths and weaknesses. Assessing personal strengths and weaknesses will not necessarily help individuals respond appropriately in a crisis, negotiate contracts, or get the most bang for their buck.
SOURCE: EI:002
SOURCE: LAP-EI-017—Assess for Success (Assessing Personal Strengths and Weaknesses)
30. C
By minimizing the impact of frustrations. Interest and enthusiasm are part of a positive attitude which gives people a good outlook on life. They will still encounter frustrations, but that won't keep interested, enthusiastic people down very long. Their interest in life and their enthusiasm will soon reassert themselves. People should discuss their frustrations to clear them up. Aggressive behavior is generally not an advisable approach to take with frustrating individuals because that often creates more problems.
SOURCE: EI:020
SOURCE: Cleverism. (2018). *Enthusiasm*. Retrieved September 20, 2018, from <https://www.cleverism.com/skills-and-tools/enthusiasm/>
31. A
Initiative. Initiative is the willingness to act without having to be told to do so, or the willingness to accept/seek additional or unpleasant duties. Developing initiative would prompt Joe to look for other work to do rather than waiting for instructions. Creativity is the ability to generate unique ideas, approaches, solutions, etc. Leadership is the ability to guide other people's activities. Assertiveness is the ability to express yourself; to communicate your point of view; and to stand up for your rights, principles, and beliefs.
SOURCE: EI:024
SOURCE: LAP-EI-002—Hustle! (Taking Initiative at Work)
32. A
Trustworthy. Being trustworthy means that people can rely on you to do what you say you will do. Trustworthy people will not tell anything they have been asked not to tell or pass along rumors that might not be true. An efficient person is one who performs in an effective, organized manner. A straightforward person is direct, open, and honest. A tactful person has the ability to do or say the right thing in any circumstances.
SOURCE: EI:022
SOURCE: LAP-EI-138—Sincerely Yours (Demonstrating Honesty and Integrity)

33. B
How fairness is important to professional relationships. Treating others with fairness is essential for forming positive professional relationships. When you treat someone fairly, your relationship with that person is equal and balanced. One person is not taking advantage of the other or getting more out of the relationship than the other. In this case, Anna's boss did not treat her fairly, so they did not develop a relationship of respect and trust. Therefore, Anna looked for a different job. This example does not demonstrate how fairness has little impact on decision-making, how the justice approach to fairness is limited, or how a lack of empathy undermines equality.
SOURCE: EI:127
SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)
34. C
Financial risk. Anytime you spend money you expose yourself to financial risk because it affects your budget and your savings. Spending money on yourself does not necessarily affect your relationships or cause you to experience future debt or poverty.
SOURCE: EI:091
SOURCE: LAP-EI-091—Worth the Risk (Assessing Risks of Personal Decisions)
35. C
Opportunities. It's important to remember that each ethical dilemma you encounter is an opportunity to make the right decision and show that you can follow ethical principles. While ethical dilemmas can be challenging, viewing them as opportunities will help you feel motivated to make the right decision rather than intimidated. Ethical dilemmas are not negative; rather, they are chances to demonstrate positive choices. Finally, an experiment is a data-collection method that tests cause and effect. Ethical dilemmas do not test cause and effect, and they should not be used to collect data. If you pick the wrong choice, someone or something could be harmed. Instead, it is important to make the right decision.
SOURCE: EI:124
SOURCE: LAP-EI-124—What's the Situation? (Reasons for Ethical Dilemmas)
36. D
Could someone be hurt? Three questions you can ask yourself to figure out whether what you're facing is simply a problem or a true ethical dilemma are: Could someone be hurt? Is there a right and wrong choice? Are ethical principles being violated? People can be unhappy with decisions made in ethical dilemmas and regular problems. Ethical dilemmas are not determined by whether the choices are easy or hard or whether there is money at stake.
SOURCE: EI:125
SOURCE: LAP-EI-125—Make the Right Choice (Recognizing and Responding to Ethical Dilemmas)
37. A
Positive. A positive attitude is an outlook that focuses on the good side of things. People with positive attitudes feel good about themselves, their jobs, and other people. They are better able to weather life's problems because they believe things will work out all right in the end. An indifferent attitude is one that expresses lack of interest. A negative attitude is an outlook that focuses on the bad side of things. A superior attitude is displayed by those who feel they are better than others.
SOURCE: EI:019
SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)
38. A
Negative feedback. Negative feedback is criticism or disapproval. Susie's coworkers are expressing their criticism and disapproval of her lack of consideration and cooperation on the job. Susie's coworkers have reached negative conclusions about her behavior, but they have not said she lacks skill.
SOURCE: EI:003
SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)

39. A
Governmental. Governmental changes are the result of new or revised laws, regulations, policies, public services, leadership, etc. This change reflects the action of the school board in response to decreases in school revenues. Social changes reflect shifts in our values, tastes, and habits. Technological changes are developments, breakthroughs, and other changes in such fields as science or engineering. Personal changes are changes concerning our bodies, minds, life styles, etc.
SOURCE: EI:026
SOURCE: Saez, A. (2017, September 26). *What are the causes of change in an organization?* Retrieved September 20, 2018, from <https://bizfluent.com/info-8230942-causes-change-organization.html>
40. A
Empathy. Empathy is the ability to put yourself in another person's place and identify with their thoughts, feelings, values, attitudes, and actions. It enables an individual to listen from the speaker's point of view. Jealousy is a form of envy, and suspicion is a feeling that something is wrong. Perspective is outlook or point of view.
SOURCE: EI:030
SOURCE: LAP-EI-030—Have a Heart (Showing Empathy for Others)
41. C
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: Historyplex. (2018, March 5). *Examples of cultural imperialism that affected the whole world.* Retrieved September 20, 2018, from <https://historyplex.com/cultural-imperialism-examples>
42. C
Manipulative. Assertive people are direct and upfront rather than being manipulative. This is part of honest communication. Assertive people may also be considerate, respectful, or talkative, but these qualities are not necessarily associated with being direct and upfront.
SOURCE: EI:008
SOURCE: LAP-EI-018—Assert Yourself (Assertiveness)
43. A
Limited resources. Because two employees need the conference room at the same time, the conflict involves a limited resource. Conflict due to unclear boundaries involves a lack of clear understanding of what constitutes appropriate behavior. Inconsistent behavior (e.g., moodiness) can also create conflict because people do not know how to act or behave. Conflict involving a desire for authority occurs when individuals want to control or be in charge of a situation. For example, when two coworkers apply for the same management position, it can create a conflict for authority.
SOURCE: EI:015
SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)
44. D
Sometimes even ethical people are tempted to act unethically. While ethical behavior is important, it is also challenging. Even those who understand and believe in ethics are sometimes tempted to act unethically depending on the situation. Understanding the importance of ethics can help you avoid making poor decisions, but you cannot completely avoid ever making a mistake. Ethical behavior can be difficult to implement. Finally, ethical behavior does not always lead to increased profits, though it can help people and organizations be more successful.
SOURCE: EI:132
SOURCE: LAP-EI-132—Practice What You Preach (Modeling Ethical Behavior)

45. A
What you are doing right now. A mission statement deals with what you are doing right now and how it is helping you achieve your personal vision. A mission statement does not reflect what you have done in the past, what your original idea was, or what you wish you had done in the past.
SOURCE: EI:063
SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)
46. B
Deal with change. Adaptability is the ability to adjust or modify attitudes and/or behavior to new situations or circumstances. Changes and new situations are common in the workplace. When employees are adaptable, they are able to deal with change and even learn from new situations. This is a benefit because employees who are not adaptable may experience stress or not be able to be productive when faced with new situations. Being adaptable does not necessarily enable employees to manage their time, take the initiative, or avoid a conflict.
SOURCE: EI:006
SOURCE: LAP-EI-023—Go With the Flow (Demonstrating Adaptability)
47. A
Persuasive. Business managers who want to lead change in the company need to have certain characteristics to be effective. They should be persuasive which means they have the ability to get people to see things their way, do things their way, or agree with them. Change doesn't just happen on its own. Change leaders need the involvement and help of many different people. Effective change leaders are able to persuade the right people to go along with them and help make the change happen. A manager who wants to lead change does not need to be emotional, forceful, or conservative.
SOURCE: EI:005
SOURCE: LAP-EI-022—Start the Revolution (Leading Change)
48. C
Being an example. Taking responsibility for your team's success or failure as it works toward the vision is being an example and a sure sign of solid leadership. This responsibility does not necessarily relate to working relationships, being enthusiastic, or being a good listener.
SOURCE: EI:060
SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)
49. B
Authoritarian. Authoritarian leaders give very few, if any, decision-making responsibilities to employees. Workers who prefer this style of leader would not feel comfortable with a democratic leader who exerts only moderate control, or with a laissez-faire leader who exerts little or no control. Republican is a term that describes a political party in the United States.
SOURCE: EI:037
SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)
50. D
Broaden your horizons. Being exposed to conflicting viewpoints can help you broaden your horizons by opening your mind to new ideas that you may not have considered before. Being exposed to conflicting viewpoints cannot necessarily improve your social standing, decrease your workload, or help you earn more money at work.
SOURCE: EI:136
SOURCE: LAP-EI-136—Pick a Side (Considering Conflicting Viewpoints)

51. 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: CliffsNotes. (2016). *Functions of money*. Retrieved September 20, 2018, from <https://www.cliffsnotes.com/study-guides/economics/money-and-banking/functions-of-money>

52. B

The time value of money. The term "time value of money" refers to the increase of an amount of money as a result of interest or dividends earned. A basic illustration of the time value of money is money and the interest it earns in a savings account. Principal is the deposited amount, which is not modified. Opportunity cost is what you have to give up when you make a choice. In this case, the opportunity cost of depositing \$100 is spending it on something else. Inflation has a negative impact on the time value of money.

SOURCE: FI:062

SOURCE: Campbell, S.R. (2010). *Foundations of personal finance: Teacher's edition* (p. 266). Tinley Park, IL: Goodheart-Willcox Company.

53. B

Installment loan. Loans that must be paid back in regular installments over a certain amount of time at a specified rate of interest are installment loans. They are frequently used to purchase costly items, such as automobiles, furniture, and appliances. Single payment loans are loans that must be paid off in a lump sum at a designated time in the future, possibly three months. Revolving credit loans are loans that are repaid on a regular basis in at least the minimum required amount. Cash payments are made for the full amount at the time of purchase.

SOURCE: FI:002

SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

54. A

Provides protection against financial losses. Insurance is designed to protect against financial losses, whether those losses are related to property, health, or even life. Insurance does not protect a person from unethical salespeople or guarantee a solid financial future. Insurance is available to property owners and non-owners alike.

SOURCE: FI:064

SOURCE: Investopedia. (2018, June 28). *Insurance*. Retrieved September 20, 2018, from <https://www.investopedia.com/terms/i/insurance.asp>

55. A

Like getting a free loan if you pay the balance each month. When you pay the balance on a credit card each month, you are getting what amounts to a free loan. A credit card is not a good way to pay for impulsive purchases—impulsive purchases are usually a bad idea no matter how you pay for them. Credit cards are not an inexpensive way to borrow money for an extended period. Nowadays, easy access to credit cards is a growing problem.

SOURCE: FI:065

SOURCE: US Bank. (2018). *How credit cards work*. Retrieved September 20, 2018, from <https://www.usbank.com/credit-cards/how-credit-cards-work.html>

56. D

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

SOURCE: FI:066

SOURCE: Pant, P. (2018, May 5). *What's the difference between fixed & variable expenses*. Retrieved September 20, 2018, from <https://www.thebalance.com/what-s-the-difference-between-fixed-and-variable-expenses-453774>

57. A

How long your money is invested. The most important factors to consider in compounding growth are how much money you invest, how much your investment grows each year, and how long your money is invested. Investing is using money to make money, which means that if you invest money in the stock market, for example, you are likely to make an average of 10% each year. As the years pass, your investment will grow tremendously because you will be earning interest on interest. So, it is beneficial to invest for as long as possible to earn the largest amount of compound interest as possible. How you earn the money that you invest, your educational background and career, and your mutual fund manager's education have a much smaller impact on compounding growth than time does.

SOURCE: FI:270

SOURCE: Investopedia. (2013, August 22). *Compound interest explained*. [Video]. Retrieved September 20, 2018, from <https://www.youtube.com/watch?v=wf91rEGw88Q>

58. B

Gross wages. Gross wages are the total income earned for the pay period before income taxes and other deductions are subtracted from the wages. Net pay is the amount of money that the worker receives after the taxes and other deductions have been subtracted from his/her wages. Year-to-date gross earnings are an employee's total gross pay from the beginning of the calendar year to a specific pay period. Year-to-date net income or net pay is an employee's total net pay from the beginning of the calendar year to a specific pay period.

SOURCE: FI:068

SOURCE: Pay Stubs. (2017, December 28). *Sample pay stub*. Retrieved September 20, 2018, from <http://www.pay-stubs.com/sample-pay-stub/>

59. A

The payee's name. The payee is the party to whom the check is made payable. That information, along with the date, check amount, and payer's signature, has to be filled out on checks. The payer can choose to record the purpose for which the check is being written. The check itself is imprinted with the name of the payer's bank, the payer's bank account number, the check number, and the bank's routing number. The payer's credit account number would only be needed if the payer wrote a check to his/her credit card company. The payee's bank name does not appear on a payer's check. The payer's credit score is irrelevant to check writing.

SOURCE: FI:560

SOURCE: Pritchard, J. (2018, April 13). *How to write a check - A step-by-step explanation*. Retrieved September 20, 2018, from <https://www.thebalance.com/how-to-write-a-check-4019395>

60. C

Subtract fees and charges. To complete checkbook balancing, Matt needs to subtract fees and charges. Some financial institutions charge a monthly fee on bank accounts, especially those with less than a certain balance. They also have charges for new checks, bounced checks, etc. All of these charges must be subtracted from the balance in the check register to obtain an accurate monthly balance. Interest is added to, not subtracted from, the check register balance. Matt does not need to call the bank for a new statement just because the latest deposit is not on his current statement. He does need to subtract fees and charges and add any interest before he can consider everything done.

SOURCE: FI:070

SOURCE: Capital One. (2018). *Balancing and budgeting—Balancing your checkbook*. Retrieved September 20, 2018, from <https://www.capitalone.com/financial-education/money-basics/balancing-budget/balance-your-checkbook/>

61. B

Take the envelopes to the post office. People tend to associate identity theft with computer hacking; however, thieves often use very simple methods to steal others' personal and financial information. One of the easiest ways to steal confidential or personal information is by simply taking a person's outgoing mail from his/her mailbox. Bills submitted to payees via "snail" mail might include checks that have bank account numbers printed on them as well as payment vouchers in which individuals include their credit card information. To reduce the risk associated with this type of theft, individuals should take their outgoing bills directly to the post office. Jake should make sure that he includes a return address on the envelope in case there is a problem with delivery and should verify that he has provided the correct billing information to ensure prompt payment; however, these actions do not reduce risks associated with identity theft.

SOURCE: FI:073

SOURCE: Ledford, J. (2018, May 30). *Your risky mailbox: Identity theft 101*. Retrieved September 20, 2018, from <https://www.thebalance.com/your-risky-mailbox-identity-theft-101-1947529>

62. C

Late fees and interest charges. It is important to pay your credit card bills in full each month because interest charges and fees can quickly accumulate if you pay late. There are penalties and consequences of failing to pay your credit card bills on time; you will receive interest charges and/or late fees, and your credit score may decrease. It is unlikely that you would be fired from your job because you failed to pay your credit card bills on time, since employers do not have access to your credit information.

SOURCE: FI:565

SOURCE: Credit Karma. (2016, April 21). *How late payments can affect your credit*. Retrieved September 20, 2018, from <https://www.creditkarma.com/credit-cards/i/late-payments-affect-credit-score/>

63. C

Stocks. When people buy a company's stock, they are, in effect, becoming an owner of a piece of that company. Certificates of deposit, money market accounts, and savings accounts are examples of lending investments.

SOURCE: FI:077

SOURCE: LAP-FI-077—Invest for Success (Types of Investments)

64. C

Timely. For financial information to be useful, it must be relevant (applicable to its users' purposes), and to be relevant, it must also be timely (up to date). Financial information does not necessarily need to be certified by an auditor, presented digitally, or perfect to be considered relevant.

SOURCE: FI:579

SOURCE: LAP-FI-009—By the Numbers (The Need for Financial Information)

65. B
Revenues and expenses. Accounting is the process of keeping and interpreting financial records. Information that a business keeps and tracks in its accounting records includes its revenues and its expenses. Revenues refer to income or money that flows into the business from activities such as sales. The business also keeps track of its expenses in its accounting records. Expenses are the monies the business owes to others (e.g., vendors) and flows out of the business. By keeping records of revenue and expenses, the business can evaluate its profits—the amount of money left over after all the expenses are paid. Products (goods and services), trends, forecasts, and market share are types of marketing information.
SOURCE: FI:085
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)
66. C
Living trust. A living trust is a legal arrangement that can serve as an alternative to a will. It transfers control of a living person's assets to a trustee. Upon death, the assets are transferred to the beneficiary without going through probate. This saves considerable time and expense. A living will is a legal document that outlines a person's wishes for medical treatment under specific circumstances. A will provides details of how an estate should be handled upon death, but does not avoid probate. A power of attorney assigns someone the right to act on another's behalf.
SOURCE: FI:572
SOURCE: Fabio, M. (2015, November). *Top three benefits of a living trust*. Retrieved September 20, 2018, from <https://www.legalzoom.com/articles/top-three-benefits-of-a-living-trust>
67. A
Determining need. Before an HR manager does anything else, s/he should determine need. S/He must figure out where the company is lacking human resources and determine if the positions are permanent, temporary, full-time, or part-time. Recruiting, interviewing, and hiring all come after determining need.
SOURCE: HR:410
SOURCE: LAP-HR-035—People Pusher (Nature of Human Resources Management)
68. A
Product/Service management. Product/Service management involves obtaining, developing, maintaining, and improving a product mix in response to market opportunities. Product packaging is an element of product/service management. Selling is determining consumer needs and wants through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Marketing-information management is a marketing function, which involves gathering, accessing, synthesizing, evaluating, and disseminating information for use in making business decisions such as what and how much it can expect to sell. Pricing involves determining and adjusting prices to maximize return and meet customers' perceptions of value.
SOURCE: MK:002
SOURCE: LAP-MK-001—Work the Big Seven (Marketing Functions)
69. C
Business plan elements. To retrieve the most applicable results from an Internet search engine, a computer user should enter terms into the query field that are most likely to bring up the desired information. "Business plan elements" are words that are most likely to retrieve the information Todd needs to include in his business plan. If Todd is not satisfied with the results that his initial search returns, he could use search terms such as "business plan components" or "business plan parts." The remaining search terms are too general and would likely not provide the information Todd desires on the first few pages of the results, which would reduce Todd's efficiency in retrieving the desired information.
SOURCE: NF:078
SOURCE: Google.com. (n.d.). *How to search on Google*. Retrieved September 20, 2018, from <https://support.google.com/websearch/answer/134479?hl=en>

70. A

The information is typically carefully checked for accuracy. Most printed publications go through several rounds of editing and review to ensure they are accurate. Authors affiliated with professional organizations could have bias toward a special interest group, which can result in biased information. Published information can become quickly outdated. Publishers do sometimes support special interest groups, but they clearly indicate those associations so a researcher can determine if s/he trusts the information.

SOURCE: NF:079

SOURCE: Purdue OWL. (201). *Evaluating sources of information*. Retrieved on September 20, 2018, from https://owl.purdue.edu/owl/research_and_citation/conducting_research/evaluating_sources_of_information/index.html

71. D

The information is available at all times from any computer. The advantage of storing records via web-based storage services is that the business can access the information at all times from any computer. Online storage service providers do not update another business's records on a daily basis nor do they automatically discard outdated records without permission. Web-based storage services can experience technical problems, which is a disadvantage of online record storage.

SOURCE: NF:081

SOURCE: Wang, J. (2011, December 7). *How to store your financial documents*. Retrieved September 18, 2018, from <http://www.businessinsider.com/how-to-store-financial-documents-2011-12>

72. B

Businesses serve customers more effectively. Managing information appropriately helps businesses focus on the important task of serving customers more effectively, which in turn *may* help lead to higher profits, although it is not a guarantee. A business's financial decisions may or may not have to do with serving customers.

SOURCE: NF:110

SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

73. A

Electronic transfer of funds. When a business uses computer technology to manage its money and move it among different accounts, it is taking advantage of the electronic transfer of funds. This is the same technology you use at the ATM. Hardware refers to the physical components of a computer. Expert systems are software programs that mimic the knowledge of human experts. Electronic data interchange refers to documents rather than money.

SOURCE: NF:003

SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)

74. C

An operating system. An operating system is the program that manages and supports the hardware and software on a computer. It lets you "communicate" with your computer. You do not need a wireless mouse or a mobile device to communicate with your computer. Microsoft Windows is just one operating system; you can also use others.

SOURCE: NF:085

SOURCE: Goodwill Community Foundation. (1998-2018). *What is an operating system?* Retrieved September 20, 2018, from <http://www.gcflearnfree.org/computerbasics/understanding-operating-systems/1/>

75. D

Search the Web. The World Wide Web (WWW) links millions of computers throughout the world by way of the Internet. Obtaining information is one of the most common ways that businesses use the Web. For example, a business in one state that wanted to locate a potential vendor in another state can search the Web to find out if that vendor has posted information on its web page. Searching the Web is fast and allows business employees to obtain vital information without leaving the office. In order to send an email or fax a request, a business first needs to obtain an email address or a fax number, which often are listed on a web page. Phoning an agent would not necessarily provide a business with information about new vendors.

SOURCE: NF:006

SOURCE: Mind Tools. (2018). *Seven ways to find what you want on the internet*. Retrieved September 20, 2018, from <https://www.mindtools.com/pages/article/internet-searching.htm>

76. A

Detailed reports, memos, and contracts. Businesses use word-processing software to create a variety of business-related documents including reports, memos, contracts, business plans, letters, and tables. Spreadsheets are generated by other types of software programs (e.g., Excel) that organize, calculate, and analyze numerical information. Although many word-processing applications have basic drawing capabilities to produce simple graphics, the more complex graphic elements are generally created by special graphics and design programs (e.g., Freehand).

SOURCE: NF:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 213). Columbus, OH: Glencoe/McGraw-Hill.

77. C

State. A database software program allows a business to sort customer information by various criteria—customer name, sales volume, customer type, zip code, etc. Queries are database fields that the business uses to sort the data. The type of data that the business wants to retrieve or analyze determines the database query (sorting mechanism) that the business uses. To obtain a list of customers in specific geographic regions, the business should sort by state. Depending on the business's needs, it may also use zip code, city name, or country to sort by geographic location. Sales volume, customer name, and street numbers are not queries that will sort customer information by geographic location.

SOURCE: NF:009

SOURCE: Chapple, M. (2018, June 11). *What is a definition of a database query?* Retrieved September 20, 2018, from <https://www.lifewire.com/query-definition-1019180>

78. A

Integrated software application packages. Integrated software application packages allow businesses to manage all types of business activities, such as inventory control, finance, tracking, invoicing, etc. For example, businesses can track the placement of an order, when the order is shipped and received, when an invoice is generated, and when payment is received. These types of computer programs are not known as electronic communications programs, interactive information display packages, or wireless connectivity programs.

SOURCE: NF:088

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 219). Columbus, OH: Glencoe/McGraw-Hill.

79. B

Download time. The file size of a graphic affects the amount of time that it takes to appear on the computer screen. The larger the graphic, the more time it takes to download or appear on the computer screen. If graphics are too large, computer users might exit the website because it takes too long for the graphics to appear on the web page. The font size and descriptive links relate to text elements rather than graphics. Log files are files that provide information about the activities of website visitors.

SOURCE: NF:042

SOURCE: Halvorson, S. (2013, February 21). *How to speed up your website load times*. Retrieved September 20, 2018, from <http://www.webdesignerdepot.com/2013/02/how-to-speed-up-your-website-load-times/>

80. C

Product. Operations activities are most closely related to a business's product. The product a business makes or provides affects every aspect of operations. A business's name, taxes, or location are not as directly related to its operations activities.

SOURCE: OP:189

SOURCE: LAP-OP-189—Smooth Operations (Nature of Operations)

81. A

The employer. It is an employer's responsibility, not the local law enforcement's duty, to be sure his/her company is a safe and healthy place to work. Employees also have a responsibility to make sure they are behaving in ways that are safe and healthy. Employers must comply with all governmental health and safety regulations.

SOURCE: OP:004

SOURCE: Minnesota Department of Health. (n.d.). *Lesson 7: Worker safety laws and you*. Retrieved September 20, 2018, from <http://www.health.state.mn.us/divs/hpcd/cdee/occhealth/documents/lesson7.pdf>

82. D

Follow the instruction manual. Each piece of machinery comes with an instruction manual that outlines its proper use. Even experienced workers should read and follow these instructions. Without proper usage (as written in the instruction manual), a worker can be injured on any type of equipment, including machines that are very new and very efficient. While knowing first aid will help after an injury occurs, it does not prevent injuries.

SOURCE: OP:006

SOURCE: Monash University. (2014). *Safe work instructions*. Retrieved September 20, 2018, from <http://www.adm.monash.edu.au/ohse/safety-topics/workshop/safe-work.html>

83. D

Wipe it up immediately. Spills may make the floor slippery and create a safety hazard. Others may not notice the spill, fall on the wet surface, and suffer injuries. All employees are responsible for helping maintain a safe environment. They should not wait for the floor to dry, tell others about the spill, or leave it for the cleaning crew.

SOURCE: OP:007

SOURCE: Root, G.N. III. (2015). *What are some workplace safety issues?* Retrieved September 20, 2018, from smallbusiness.chron.com/workplace-safety-issues-1303.html

84. D

Designating a central meeting place for all employees. Businesses must be prepared for unexpected situations such as fires and bomb threats. Evacuation plans are procedures that help businesses handle emergencies in ways to keep employees safe. Businesses designate a central meeting place to take a "head count" to ensure that all employees are out of danger. As part of the evacuation plan, management may assign certain employees to conduct the head count of department members. If someone does not arrive at the meeting place, the coordinator can report the information to the appropriate person and take steps to locate the missing person. Changing smoke-alarm batteries and CPR training are not activities that will help businesses track the whereabouts of their employees during an emergency. Employees may not be able to communicate by phone with their managers during emergencies; therefore, employees should not go home until they report to their central meeting place and check in with their designated emergency coordinator.

SOURCE: OP:010

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 409-410]. Tinley Park, IL: Goodheart-Willcox Co.

85. B

Have another person present when she opens up in the morning. It's a smart idea for Jasmine to have another person present when she opens up for business in the morning. Two people are better able to check for security breaches. Jasmine should not keep a large amount of cash in the cash register. She should make eye contact with customers who walk into the store; this lets customers know that she recognizes them. The lighting should be bright so that she can see all customers clearly.

SOURCE: OP:152

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 686-687]. Tinley Park, IL: The Goodheart-Willcox Co.

86. D

Team members' performance. The specific criteria that you monitor will depend on the nature of your project. However, there are some general aspects of any project that require your attention. While some projects might be individual efforts, most are done by teams, or at the very least include a couple of other people. People are important resources for the success of your project. As a project leader, you'll need to check in on team members' performance. You should not necessarily monitor emails or your team members' friendships; these are not necessarily relevant to your project's success. The planning process happens before the project begins.

SOURCE: OP:520

SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

87. C

Strategic planning. When a purchasing specialist develops partnerships and alliances with suppliers, watches for business threats and opportunities, and looks for ways to improve processes, s/he is engaging in strategic, long-term planning for the company. Negotiation is the process of one party reaching an agreement with another party to meet specific needs and wants. Marketing planning involves developing strategies for attracting the target customer to a business. Productivity is the amount and value of goods and services produced from set amounts of resources.

SOURCE: OP:015

SOURCE: LAP-OP-002—Buy Right (Purchasing)

88. A

Inventory of supplies. When businesses use an automatic reorder system, an order for additional supplies is placed when the inventory decreases to an established level. This makes it possible for a business to effectively maintain an inventory of supplies at the right level. The business does not tie up funds by purchasing too many supplies, or risk running out of supplies. Businesses do not use an automatic reorder system to maintain an adequate work environment, budget for expenses, or maintenance system.

SOURCE: OP:031

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 421-431]. Tinley Park, IL: The Goodheart-Willcox Co.

89. B

It creates goods and services businesses can sell. Production is important to businesses because without production, businesses would have nothing to sell. All businesses must have products to sell to remain in business. Production does not eliminate competition. Businesses must control production costs so that they do not have to charge higher prices than competitors. Marketing research, not production, informs businesses about consumers' wants and needs.

SOURCE: OP:017

SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

90. A

Hygiene. The ways in which you groom yourself daily directly impact your personal hygiene. Your personal grooming habits are not likely to directly impact your education, skills, or relaxation.

SOURCE: PD:002

SOURCE: LAP-PD-002—Brand Me (Personal Appearance)

91. A

State your goal(s). A personal plan of action is a written planning device to help you reach a goal of your own. You cannot develop a plan of action unless you have a direction or focus goal. After a goal has been stated and a plan devised for achieving that goal, then you can record your progress and evaluate the effectiveness of your plan.

SOURCE: PD:018

SOURCE: LAP-PD-016—Go For the Goal (Goal Setting)

92. D

Product. Product innovation occurs when a business either creates or improves a product. When a computer company creates a new kind of software, this is considered product innovation. Process innovation focuses on *how* something is done. Positioning innovation occurs when the *purpose* of a product is changed. Paradigm innovation occurs when there is a significant change in thinking.

SOURCE: PD:126

SOURCE: LAP-PD-126—Ideas in Action (Innovation Skills)

93. C

You can learn as much from your failures as you can from your successes. Both your failures and your successes tell you things about yourself. You should pay attention not only to what you do well but to what you do less well. Self-understanding and self-information are not the same. You need self-information in order to develop self-understanding. There are tests available that will help you identify your interests. Choosing a career should not be based only on your current skills and talents but also on your interests and abilities.

SOURCE: PD:013

SOURCE: Jacox, C. (2017, September 1). *Self-awareness and perception: will you succeed or fail?* Retrieved September 20, 2018, from <https://winningtherelationship.com/self-awareness-perception-will-you-succeed-or-fail/>

94. C

Sexual harassment. Sexual harassment is any unwelcomed sexual remarks, advances, conduct, or requests. Employees have certain rights in the workplace, including the right to not be sexually harassed by other employees and managers. The example is not age discrimination, cultural supremacy, or ethnocentrism.

SOURCE: PD:021

SOURCE: MSBA. (2018, March 12). *Employees' rights in the workplace*. Retrieved September 20, 2018 from <https://www.msba.org/blog/employees-rights-in-the-workplace/>

95. A

Accessing online employment services. Online employment services such as Careerbuilder.com and Monster.com provide information about a variety of careers and industries. Employment-services websites provide information about the skills and education needed to perform certain jobs as well as the pay ranges for those jobs. Many of these sites offer career planning quizzes that help individuals determine the types of careers that they may be best suited for. Joining social organizations, completing job applications, and reading virtual textbooks are not the best ways in which people obtain information about a variety of career fields and options.

SOURCE: PD:022

SOURCE: Net Industries. (2018). *Getting a job—Sources of career information*. Retrieved September 20, 2018, from <http://jobs.stateuniversity.com/pages/56/Getting-Job-SOURCES-CAREER-INFORMATION.html>

96. C

Marketing communications. Marketing communications involves marketing activities that inform, remind, and/or persuade the targeted audience. Examples of marketing communications techniques include advertising, direct marketing, digital marketing, publicity/public relations, and sales promotion. Lucy is a public relations manager—responsible for handling special events and responding to requests for information about the company. Marketing research jobs focus on marketing activities that involve determining information needs, collecting data, analyzing data, presenting data, and using data for marketing planning. Merchandising careers involve marketing activities that are focused on efficient and effective product planning, selection, and buying for resale. Careers in professional selling involve marketing and management activities that determine customer needs/wants and respond through planned, personalized communication to influence purchase decisions and enhance future business operations.

SOURCE: PD:025

SOURCE: LAP-PD-015—Go For It! (Careers in Business)

97. C

Listens closely. It is important for job applicants to listen carefully to what the interviewers are saying and asking. Failure to pay close attention may result in the applicants giving incorrect information or not completely answering the questions. Not listening also may indicate to an interviewer that an applicant is not interested in the position. Applicants should not read materials while an interviewer is asking questions. While applicants are expected to talk and share information about themselves during job interviews, they should choose their words carefully and not talk excessively. On occasion, applicants may write notes about what the interviewer is saying, but they should not let that interfere with their ability to listen carefully.

SOURCE: PD:028

SOURCE: McMullen, L. (2014, August 19). *7 ways to be a better listener while interviewing*. Retrieved September 20, 2018, from <http://money.usnews.com/money/careers/articles/2014/08/19/7-ways-to-be-a-better-listener-while-interviewing>

98. B

To thank the interviewer. The main reason for writing a follow-up letter is to thank the interviewer for his/her time. It also gives applicants the opportunity to keep their names in the interviewer's mind and to reinforce their interest in the job. Applicants provide copies of their résumés before the interview. The résumé or job application should contain the names of references. The follow-up letter should reinforce an applicant's interest in the job without actually asking for it.

SOURCE: PD:029

SOURCE: Purdue OWL. (2018). *Follow-up to an interview*. Retrieved September 20, 2018, from <https://owl.english.purdue.edu/owl/resource/634/03>

99. D

Volunteer positions. Some job applicants, especially recent graduates, do not have a lot of paid job experience. It is acceptable for them to list unpaid or volunteer positions in the work experience section of their résumés. Volunteer positions indicate job experience and levels of responsibility even if the positions were unpaid. Technical training should be listed in the educational background section. Career objectives and references are separate sections of résumés.

SOURCE: PD:031

SOURCE: The OWL at Purdue. (1995-2018). *Resume workshop*. Retrieved September 20, 2018, from <https://owl.english.purdue.edu/owl/resource/719/01/>

100. B

Basic job experience. Entry-level jobs provide a starting point for an individual interested in pursuing a particular career. Many fields are very competitive, and by taking an entry-level job, a worker can gain valuable experience and training. An employee who performs well in the entry-level position could advance to many other positions within the company. Most entry-level jobs do not pay high salaries.

SOURCE: PD:034

SOURCE: Heathfield, S. (2018, September 13). *An entry-level job: a foot in the door*. Retrieved September 18, 2018, from <https://www.thebalancecareers.com/what-is-an-entry-level-job-1918126>