



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

Test Number 1164  
Booklet Number \_\_\_\_\_

# Business Management and Administration Cluster Exam

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1. To cross the street, you must use a crosswalk and wait until the appropriate traffic signal appears. This is an example of a
  - A. jurisdiction.
  - B. penalty.
  - C. regulation.
  - D. law.
  
2. A debtor-creditor relationship exists when
  - A. a contract is invalidated.
  - B. a sale is paid in full.
  - C. interest is charged.
  - D. stocks are liquidated.
  
3. Jon sues his former employer for harassment. In what situation would the employer be likely to offer Jon a settlement?
  - A. The employer does not think it will be able to win the case.
  - B. The employer knows it will be able to win the case.
  - C. The employer wants the case to go to court.
  - D. Jon does not think he will be able to win the case.
  
4. The litigation process begins when
  - A. the parties reach a settlement.
  - B. the defendant files an answer with the court.
  - C. the plaintiff files a complaint with the court.
  - D. an appeal is considered.
  
5. Which of the following is a criterion for evaluating the reliability of a source:
  - A. Length
  - B. Timeliness
  - C. Style
  - D. Type of source
  
6. Which of the following is a legitimate response for an employee to provide to a customer regarding an inquiry about product pricing:
  - A. You'll need to contact the appropriate person to get the price.
  - B. I'm not sure what the pricing is.
  - C. If you can wait a moment, I'll check for the price in the computer.
  - D. I'm pretty sure that the item costs \$39.65.
  
7. All calls coming into a business should end as pleasantly as possible in order to
  - A. leave a good last impression with callers.
  - B. make the best use of your time.
  - C. help you to get a good review.
  - D. provide callers with accurate information.
  
8. Rachel says to the audience, "Now that you have some insight about the nature of the problem, I'll discuss the methodology that our firm used to conduct the research." This statement is an example of a(n)
  - A. introduction.
  - B. transition.
  - C. gesture.
  - D. conclusion.

9. Alexis and her team are working on a new project proposal to show their boss. She knows that doing the project their way will be costly and time-consuming, but she also knows that the results will be great. She and her team decide to first present the benefits of the project and then draw the conclusion that investing company time and money would be a good idea. Alexis hopes to convince her boss using
- inductive organization.
  - deductive organization.
  - chronological order.
  - geographical order.
10. Which of the following are elements that appear in the heading of a memorandum:
- To, title, from, and date
  - To, from, date, and subject
  - Date, title, to, and company
  - Company, to, subject, and date
11. Jessica must develop an analytical report that assesses the product opportunities for 18- to 34-year-old sports enthusiasts in the greater Seattle area. What type of analytical report is Jessica writing?
- Market analysis
  - Troubleshooting
  - Justification
  - Feasibility
12. Which of the following is an example of a purpose statement in a research report:
- In 2005, Sims Research surveyed 150,000 college professors.
  - In this study, we will examine the causes and effects of climate change.
  - The quality of soil may affect plant growth.
  - 2,500 residents reported power outages during the ice storm.
13. The purpose of participating in staff meetings usually is to
- share information.
  - achieve a task.
  - conduct research.
  - develop a message.
14. A business's brand promise is what the business intends to
- provide the customer.
  - sell to the target market.
  - name its product.
  - use as a trademark.
15. Customers tend to look at a business as a whole despite the number of \_\_\_\_\_ they experience.
- feedback surveys
  - complaints
  - touch points
  - purchases
16. The overall category of resources that makes it possible for businesses to produce the goods and services that consumers want to buy is \_\_\_\_\_ resources.
- economic
  - human
  - capital
  - natural

17. Service businesses that use goods in order to perform their services usually do not transfer \_\_\_\_\_ those goods to customers.
- A. benefits from
  - B. usefulness of
  - C. ownership of
  - D. information about
18. Which of the following is a benefit of opening a franchise:
- A. A well-known brand name
  - B. Paying royalties
  - C. Restrictions on products, prices, and location
  - D. Reliance on raw materials
19. Which of the following is a reason that a company would decide to offer its products in other countries:
- A. To subsidize developing countries
  - B. To sell obsolete, outdated products
  - C. To expand to new, untapped markets
  - D. To provide jobs to people in other countries
20. Which of the following is vital to the successful operation of a private enterprise system:
- A. Competition
  - B. Mechanization
  - C. Production
  - D. Distribution
21. Government protects consumers by establishing
- A. a measure of effectiveness in government.
  - B. requirements for product testing.
  - C. rules to generate competition.
  - D. laws to monitor the growth of business.
22. One way that inflation impacts businesses is by
- A. increasing productivity.
  - B. decreasing free trade.
  - C. increasing prices.
  - D. decreasing labor costs.
23. In which of the following situations does a nation have a favorable balance of trade:
- A. Exports of \$3.5 million and imports of \$3.1 million
  - B. Exports of \$4.7 million and imports of \$4.8 million
  - C. Exports of \$2.4 million and cash flow of \$2.9 million
  - D. Exports of \$1.8 million and foreign aid of \$1.5 million
24. Your interest and enthusiasm can help to create a sense of \_\_\_\_\_ within your work group.
- A. cooperation
  - B. disagreement
  - C. security
  - D. conflict
25. Which of the following is a possible consequence of taking too much initiative:
- A. Improving job performance
  - B. Causing hard feelings among employees
  - C. Higher ratings on job evaluations
  - D. Increased respect from others

26. Elias always listens to his friends instead of letting his mind wander or getting distracted by his phone. Which trust-building technique is Elias demonstrating?
- Taking responsibility for your mistakes
  - Communicating often and openly
  - Not sharing confidential information
  - Keeping your promises
27. Dillon wants to advance quickly in his career with the Orton Company. To impress his boss, Dillon volunteered to take on several extra assignments. Unfortunately, Dillon did not realize how much time was involved to complete all of the work that he had taken on. He rushed to get the Simpson assignment done so he could start work on a complex report. On Tuesday, Dillon's boss called him into his office and told him that the Simpson assignment lacked detail and that more research needed to be done. Now, Dillon is worried that he will not meet the deadlines for the report and other upcoming assignments. What lesson can Dillon learn from this experience?
- Over-commitment can lead to a lower quality of work.
  - Dillon should have delegated some of the work to his coworkers.
  - It is important to volunteer for projects to obtain a promotion.
  - Dillon should have started on the report before he finished the Simpson assignment.
28. The main reason that employers offer criticism is so that workers can improve their
- job performance.
  - ability to get along with others.
  - ability to accept feedback.
  - personal situations.
29. Valuing diversity means
- acknowledging differences as problems.
  - ignoring differences.
  - minimizing differences.
  - acknowledging differences as assets.
30. Norman overheard Gina tell a coworker that the company's operations manager is going to be fired. Should Norman tell the operations manager about the conversation?
- No. Because if Norman believes that the gossip isn't true, he should confront Gina.
  - No. Gina is gossiping about something that may or may not be true.
  - Yes. The operations manager needs to start looking for another job.
  - Yes. If the operations manager is Norman's boss, Norman should warn him/her about the situation.
31. Which of the following do individuals usually need to be able to persuade others:
- Flexibility
  - Credibility
  - Creativity
  - Responsibility
32. In a consensus-building group, the facilitator is the person who
- keeps the discussion on track.
  - is in charge of the group.
  - takes notes.
  - makes sure everyone has equal time to speak.
33. Motivation can be anything that drives a person to pursue a(n)
- raise at work.
  - certain outcome.
  - achievement award.
  - promotion.

34. Tayari communicates openly, even when it's difficult. She demonstrates
- transparency.
  - fairness.
  - viability.
  - accountability.
35. Which of the following people would make the best entrepreneur:
- A risk-averse person who wants to work 9 to 5
  - A person who lacks self-confidence
  - A risk-taker who has a strong work ethic
  - A person who often works so hard she makes herself sick
36. If individuals are not self-employed, which of the following is a type of earned income they might receive:
- Child support income
  - Vacation pay
  - Interest and dividends
  - Trust disbursements
37. What source of credit offers its members small loans, installment credit, and low interest rates?
- Commercial banks
  - Sales finance companies
  - Credit unions
  - Savings and loan associations
38. Caitlin has three credit cards. She receives her credit card statement for one of the cards and has to decide how to pay the \$500 she spent with that card. To pay the least for use of the credit, she should pay with \_\_\_\_\_ and make the \_\_\_\_\_ payment.
- cash; full
  - cash; minimum
  - another card; full
  - another card; minimum
39. While George is unable to work because of a back injury, he receives a check every week for 60% of his usual salary. George's check is a benefit of his \_\_\_\_\_ insurance.
- cash-value
  - disability
  - liability
  - bodily injury
40. A primary reason governments regulate business accounting practices is to
- balance the business's budget.
  - certify aging accounts.
  - stabilize tax revenue.
  - ensure consistent reporting.
41. Who is usually responsible for analyzing a business's income statement?
- Customers
  - Managers
  - Cashiers
  - Bookkeepers
42. Nico knows he would never do anything unethical, but he is sure that all of his coworkers are tempted at one point or another. Nico is demonstrating
- loss aversion.
  - short-term gratification.
  - framing.
  - over-optimism and overconfidence.

43. If the cash from operating activities is consistently greater than the company's net income, the company's net earnings are of a(n) \_\_\_\_\_ quality.
- high
  - low
  - moderate
  - excessive
44. True or false: Companies without an HR department do not participate in HR management activities.
- False; in companies without HR departments, all employees participate in HR management activities.
  - True; smaller companies have no need for HR management.
  - True; only HR managers can complete these activities.
  - False; in companies without HR departments, other managers and supervisors participate in HR management activities.
45. What is the foundation of knowledge management?
- An unresolved conflict or problem
  - An intangible product to market
  - A place to store unrelated data
  - A willingness to share expertise
46. To have effective knowledge-management processes, businesses need their employees to have a(n) \_\_\_\_\_ attitude.
- argumentative
  - cautious
  - transparent
  - curious
47. A business establishes virtual workspaces for several project teams in which information and expertise are continuously updated and shared among all of the work teams' members. What form of knowledge-management technology is the business using?
- Knowledge-mapping tools
  - Remote search engines
  - Knowledge repositories
  - Decision-support systems
48. The laddering technique is used to capture and change categories of
- horizontal communication.
  - hierarchical information.
  - meaningless data.
  - redundant knowledge.
49. Your company had total sales of \$5 billion last year, while your industry as a whole sold \$50 billion. Your company's sales divided by total industry sales equals 10 percent, or your
- efficiency.
  - market share.
  - ethics.
  - brand value.
50. Lamar Enterprises is using a trademark that looks very similar to the Seward Company's trademark. To prevent Lamar from continuing to use the trademark, Seward can take legal action by
- filing an infringement lawsuit against Lamar.
  - charging Lamar with obstruction of justice.
  - requiring Lamar to pay a licensing fee.
  - obtaining an arrest warrant.

51. What do businesses often develop to be able to store and analyze data for the purpose of making business decisions?
- A. Information systems
  - B. Operating procedures
  - C. Survey methods
  - D. Management policies
52. The capability of combining graphics, text, animation, and sound is a unique characteristic of \_\_\_\_\_ software programs.
- A. communication
  - B. presentation
  - C. numeric
  - D. electronic
53. Jamal wants to purchase software for his small business that allows him to create text documents, prepare presentations, maintain a customer database, and develop numerical charts. What type of software would best meet Jamal's needs?
- A. Word processing
  - B. Integrated
  - C. Spreadsheet
  - D. Trajectory
54. A project manager must extend the due date of a project activity by three days. What project-management software application will enable the project manager to make the change?
- A. Budgeting
  - B. Publishing
  - C. Reporting
  - D. Scheduling
55. Which of the following types of data analysis suggests a future course of action:
- A. Prescriptive analytics
  - B. Predictive analytics
  - C. Descriptive analytics
  - D. Instructive analytics
56. Which of the following is an accurate description of business records:
- A. Documents containing company information
  - B. Events involving sales employees
  - C. Reports about retail theft
  - D. Accounts of customer loyalty
57. Which of the following is an economic factor that affects business trends:
- A. The business cycle
  - B. Lifestyle changes
  - C. An aging population
  - D. Emergence of social media
58. Which of the following may happen if a business cuts costs:
- A. It may pay fewer taxes.
  - B. It may improve product quality.
  - C. It may boost its community involvement.
  - D. It may hire more employees.



59. If the Food and Drug Administration (FDA) increased requirements for food allergen awareness for all food workers, how would a restaurant's operations likely be affected?
- A. Increased margins and sales
  - B. Faster food service
  - C. Increased training time and costs
  - D. Higher employee retention
60. Businesses can help to prevent accidents in the workplace by
- A. controlling human error.
  - B. establishing safety guidelines.
  - C. purchasing insurance.
  - D. buying only accident-proof equipment.
61. The purpose of depositing large bills in drop boxes upon receipt is to prevent
- A. burglary.
  - B. fraud.
  - C. robbery.
  - D. pilferage.
62. Which of the following situations should be an employee's top priority:
- A. Preparing a simple report that is due in one week
  - B. Returning an urgent telephone call from an important customer
  - C. Faxing a purchase order that a vendor needs by tomorrow afternoon
  - D. Reading an online newsletter about industry trends
63. What must be determined before work can be coordinated effectively among team members?
- A. Customer-satisfaction levels
  - B. Technical changes
  - C. The necessary tasks
  - D. The employees' requirements
64. Determining a project's feasibility, developing a statement of work (SoW), creating SMART objectives, and developing a project charter occur during the \_\_\_\_\_ stage of project management.
- A. initiation
  - B. planning
  - C. execution
  - D. closure
65. Which of the following is the best example of the types of resources it takes to complete a project successfully:
- A. Encouragement
  - B. Food
  - C. Materials
  - D. Energy
66. Which of the following is an important question that a business should ask when selecting a vendor:
- A. What is our business's target market?
  - B. What computer program does the vendor use for its project management processes?
  - C. Does the vendor have the resources to consistently meet our business's needs?
  - D. What are our business's strengths and weaknesses?
67. What is required to maintain favorable relationships with vendors?
- A. Ongoing cooperation
  - B. Limited communication
  - C. Occasional interaction
  - D. Full disclosure

68. The Colbert Company ships 19 cases of model number 328 bolts to SOA Manufacturing Company every other week. This is an example of a(n) \_\_\_\_\_ purchase order.
- A. seasonal
  - B. advance
  - C. standing
  - D. open
69. Which of the following is an example of a raw material that a business might inventory for production use:
- A. Chair
  - B. Toothpaste
  - C. Stapler
  - D. Wood
70. The Simpson Company is negotiating discount terms with Cornwell Manufacturing, a prospective vendor. During the negotiation, Cornwell states that it is willing to offer Simpson a six-percent discount on orders over \$50,000. Although Simpson would rather have an eight-percent discount, it agrees to the terms, hoping to obtain something it wants later in the negotiation. This is an example of a
- A. concession.
  - B. withdrawal.
  - C. plea.
  - D. position.
71. One way that employees can help to control a business's expenses is by
- A. rotating stock daily.
  - B. arriving at work on time.
  - C. overlooking thefts.
  - D. handling products casually.
72. To remain competitive in the marketplace, a company implements processes to identify its internal strengths and weaknesses and its external opportunities and threats. What type of business analysis is the company conducting?
- A. Resource allocation
  - B. Financial leverage
  - C. PERT
  - D. SWOT
73. A business process change would likely be required if a company
- A. plans a meeting for Friday.
  - B. goes out of business.
  - C. merges with another company.
  - D. has a profitable quarter.
74. A disruption in the supply chain can cause a business to
- A. stop production.
  - B. make more money.
  - C. create happy customers.
  - D. encourage employees.
75. Online shipment tracking is one example of \_\_\_\_\_ affecting supply chain management.
- A. globalization
  - B. technology
  - C. an economic downturn
  - D. production changes

76. Supply chain networks are often
- A. unimportant.
  - B. eliminated.
  - C. redesigned.
  - D. unprofitable.
77. One possible downside to choosing overseas suppliers is
- A. increased delivery times.
  - B. increased costs.
  - C. a simpler supply chain.
  - D. increased taxes.
78. What is one way that employees can help their companies protect digital assets?
- A. Send out emails to update everyone on security policy changes.
  - B. Share passwords with everyone in the company.
  - C. Download documents from unevaluated websites.
  - D. Follow company policies about giving out personal information.
79. Lack of exercise, sleep, and adequate relaxation are factors that are likely to have a direct effect on an individual's ability to
- A. socialize with coworkers.
  - B. enter training programs.
  - C. perform job expectations.
  - D. learn of new opportunities.
80. It is important to develop a personal plan of action for goals because
- A. a plan guarantees success.
  - B. goals cannot be achieved without a written plan.
  - C. a plan helps you to achieve your goals.
  - D. you can share the plan with others.
81. A 12-screen movie theater recently opened in your neighborhood. Just a couple of months after it opened for business, the old single-screen drive-in movie theater nearby went out of business. This is an example of
- A. creative advantage.
  - B. competitive advantage.
  - C. creative destruction.
  - D. competitive destruction.
82. Creativity is an important skill to use in
- A. calculus.
  - B. ethics.
  - C. problem solving.
  - D. accounting.
83. Which of the following employees has an operations management career:
- A. Samuel manages his company's call center.
  - B. Kylie is a district manager.
  - C. Wyatt is in charge of recruiting employees.
  - D. Valerie trains her company's new employees.

84. Virgil is looking to gain work experience in graphic design, but he has not been able to secure a part- or full-time position with a company. He decides to bid on jobs online that will pay him a small wage per project he completes. Virgil is \_\_\_\_\_ to gain valuable work experience.
- freelancing
  - volunteering
  - interning
  - being an apprentice
85. In which component of the project's statement of work (SoW) would the following message most likely appear: "Due to the limited amount of time allocated to complete the study, the survey sample size may need to be reduced."
- Deliverables
  - Purpose
  - Benefits
  - Constraints
86. Trevor needs to determine the procedures that he needs to follow for a specific project work activity. Trevor can locate that information in the
- work breakdown structure dictionary.
  - project's statement of work.
  - network diagram.
  - production schedule.
87. Which of the following is the primary activity performed during the execution phase of a project:
- Producing
  - Forecasting
  - Financing
  - Arbitrating
88. Jane said, "Troy, I think you are on the right track. Let's make the modification that you suggested, but do it before you enter the phase 2D data in the computer system." What project-management activity is Jane performing?
- Resolving conflict
  - Providing feedback
  - Encouraging teamwork
  - Assessing skills
89. The Six Sigma framework of quality management takes a disciplined approach to continuously providing better quality and
- changing intermediaries.
  - assessing competitors.
  - lowering costs.
  - increasing visibility.
90. Although governments and businesses used computers in limited ways for several decades, the development and widespread use of desktop computers emerged in the 1980s in both homes and businesses, drastically changing the way people and businesses interact. What type of improvement does this situation exemplify?
- Breakthrough
  - Incremental
  - Compliant
  - Supplemental

91. Which of the following is an ethical issue resulting from internal risks:
- A. Boycotting the use of an insurance company that has a reputation for not correcting its mistakes
  - B. Revealing discounted expenses
  - C. Selecting an insurance company that considers paying fines a cost of doing business
  - D. Providing incomplete data for audits
92. Which of the following is a risk-management application that alerts the appropriate personnel when an unauthorized source has tried to access the business's computer network:
- A. Organic scoreboard
  - B. Automated notification
  - C. Genetic algorithm
  - D. Forensic accounting
93. An automobile manufacturer in Country A purchases parts from a factory in Country B. When Country B suffers a massive earthquake, the automobile manufacturer is forced to put production on hold until it can find another factory to supply the parts. What type of risk does this situation illustrate?
- A. Political
  - B. Employee
  - C. Environmental
  - D. Health and safety
94. Why do top-level managers usually receive high salaries?
- A. Their decisions affect the entire company.
  - B. They are required to attend a great many meetings.
  - C. They have more experience than others in the company.
  - D. Their responsibilities involve hands-on supervision.
95. Serena is determining the specific activities needed to carry out a year-long advertising campaign. Serena is engaged in \_\_\_\_\_ planning.
- A. tactical
  - B. strategic
  - C. contingency
  - D. long-term
96. The primary purpose of the organizing function of management is to provide
- A. leverage.
  - B. structure.
  - C. insight.
  - D. motivation.
97. Melanie is showing a group of new employees how to perform work-related tasks. What staffing activity is Melanie performing?
- A. Appraising
  - B. Recruiting
  - C. Interviewing
  - D. Training
98. Kate says, "I am very pleased with your progress on the project, Devon. Take the rest of the day off, and we'll talk about the next phase of the project tomorrow." What directing activity is Kate performing?
- A. Motivating an employee
  - B. Establishing a schedule
  - C. Delegating responsibility
  - D. Training a worker

99. What are the three primary characteristics of an effective control system in a business?
- A. Responsive, flexible, and transferable
  - B. Suitable, understandable, and timely
  - C. Relevant, intangible, and rigid
  - D. Rigid, economical, and reactionary
100. Change management occurs in a cycle because
- A. organizations always need to change.
  - B. organizations push for unnecessary change.
  - C. change is harmful for most companies.
  - D. change is difficult to implement.



**KEY**

Test Number 1164

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1. D

Law. The law is commonly understood as a set of rules that, if violated, results in punishment or penalty. In the United States, laws are the products of written statutes passed by a governing body, such as the United States Congress or state legislatures. Pedestrians must follow traffic laws when crossing the street. Penalties are negative consequences that occur when a law has been broken. Regulations are standards and rules that dictate how laws will be enforced. Jurisdiction is the authority to decide how the law applies and to enforce the law.

SOURCE: BL:163

SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

2. C

Interest is charged. When an individual or business charges interest on money that another individual or business borrows, a debtor-creditor relationship exists. An invalid contract and a sale that is paid in full at the time of transaction do not establish a debtor-creditor relationship. In some situations, a debtor may liquidate stocks to pay a creditor; however, this does not always occur.

SOURCE: BL:071

SOURCE: Encyclopedia Britannica. (2017). *Debtor and creditor*. Retrieved September 13, 2017, from <https://www.britannica.com/topic/debtor-creditor-relationship>

3. A

The employer does not think it will be able to win the case. A party may offer a settlement if it believes it has little chance to win a case. In this example, Jon's employer does not believe it will win, so it may offer a settlement. A settlement is a way to avoid the case going to court. Jon may or may not think he will win the case, but this does not influence his former employer's actions.

SOURCE: BL:159

SOURCE: FindLaw. (2017). *Resolution before trial: Settlement*. Retrieved September 13, 2017, from <http://injury.findlaw.com/accident-injury-law/resolution-before-trial-settlement.html>

4. C

The plaintiff files a complaint with the court. The litigation process begins when the plaintiff files a complaint with the court. The defendant cannot file an answer until the plaintiff files a complaint. Settlement and appeals occur later in the process.

SOURCE: BL:160

SOURCE: Cornell University Law School Legal Information Institute. (n.d.). *Litigation*. Retrieved September 13, 2017, from <https://www.law.cornell.edu/wex/litigation>

5. B

Timeliness. For certain types of information, it is crucial for the source to be up to date because data are always changing. Length and style are not necessarily indicators of reliability, though depending on the type of source, they may be important. The type of source does not always indicate reliability; many different types of sources are reliable.

SOURCE: CO:054

SOURCE: Johns Hopkins Sheridan Libraries. (2017, August 10). *Evaluating information*. Retrieved September 13, 2017, from <http://guides.library.jhu.edu/c.php?g=202581&p=1334914>

6. C

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

SOURCE: CO:060

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 241-242). Columbus, OH: Glencoe/McGraw-Hill.



7. A

Leave a good last impression with callers. Leaving a good last impression is just as important as creating a positive first impression. Employees do not want the professional image they have created to be ruined in the last seconds of the call. Concluding calls pleasantly may help you to get a good performance review, but that is not the purpose of it. Providing callers with accurate information and making good use of your time are not part of ending calls pleasantly.

SOURCE: CO:114

SOURCE: Obarski, A.M. (2013, September 10). *5 tips for better telephone skills*. Retrieved September 13, 2017, from <https://www.businessknowhow.com/marketing/telephone-skills.htm>

8. B

Transition. An effective transition helps the speaker move from one topic to another in a way that makes sense to the audience. In the example, Rachel tells the audience that she is moving on to another topic by relating the background information to the research methodology. During the introduction of an oral presentation, the speaker greets the audience, captures its attention, and provides an overview of the topic at hand. The speaker summarizes the discussion, answers the audience's questions, and thanks the audience for its time during the conclusion of the presentation. Gestures are nonverbal cues that involve movement of arms and legs.

SOURCE: CO:025

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

9. A

Inductive organization. Inductive organization starts with examples, facts, or reasons and saves conclusions for last. When you need to persuade someone of something, inductive organization can be especially helpful. This is the case for Alexis and her team. She knows that her boss won't necessarily want to spend a lot of time and money on the project, so she starts by listing the benefits. If she started out with the costs, her boss would likely be scared off before she even had the chance to convince him. Deductive organization is the opposite of inductive organization. It starts with the conclusion, and then moves to examples, facts, and reasons. This method of organization is best when delivering routine information or business writing. Chronological order presents information in time sequence. This is useful when describing history or sales figures. Geographical order involves organizing your information around location. This method of organization isn't used that often, since there aren't many topics that are easily organized by location.

SOURCE: CO:086

SOURCE: College of Marin. (n.d.). *Chapter 10 lecture: Six methods for organizing data*. Retrieved September 13, 2017, from [http://www.marin.edu/buscom/index\\_files/Page1347.htm](http://www.marin.edu/buscom/index_files/Page1347.htm)

10. B

To, from, date, and subject. When writing a memorandum, businesspeople place a heading at the top of the page to indicate who the letter is to, who the letter is from, what the message is about, and the date the message was written. The company's name and the employee's title do not always appear in the heading.

SOURCE: CO:088

SOURCE: Bauer-Ramazani, C. (2012, March 6). *Memo*. Retrieved September 13, 2017, from [http://academics.smcvt.edu/cbauer-ramazani/BU113/memo\\_guide\\_citations.htm](http://academics.smcvt.edu/cbauer-ramazani/BU113/memo_guide_citations.htm)

11. A

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

SOURCE: CO:185

SOURCE: KU Writing Center. (n.d.). *Writing informal and analytical reports*. Retrieved September 13, 2017, from [http://writing.ku.edu/sites/writing.drupal.ku.edu/files/docs/Writing\\_Informational\\_Analytical\\_Reports.pdf](http://writing.ku.edu/sites/writing.drupal.ku.edu/files/docs/Writing_Informational_Analytical_Reports.pdf)

12. B

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

SOURCE: CO:186

SOURCE: Owens Community College. (2017). *Thesis/Purpose statement*. Retrieved September 13, 2017, from <https://www.owens.edu/writing/thesis.html>

13. A

Share information. Staff meetings are a method of communication in business. The purpose of participating in staff meetings usually is to share information. This includes management sharing important information with employees and employees providing information to management, such as updates on current projects. The goal is for everyone in the business to have the information they need to function effectively. The purpose of participating in staff meetings is usually not to achieve a task, conduct research, or develop a message.

SOURCE: CO:063

SOURCE: Castro, A. (2016, July 6). *8 reasons regular staff meetings are a must*. Retrieved September 13, 2017, from <http://www.amy-castro.com/8-reasons-regular-staff-meetings-must/>

14. A

Provide the customer. A brand promise is similar to a guarantee. It is what the business intends to provide the customer. A brand promise differs from business to business depending on the type of business. For some businesses, the brand promise might be quality at a low price, or dependable service, or reliability. Whatever the promise, that is what customers expect from the business. A business's brand promise is not what the business intends to sell to the target market, name its product, or use as a trademark.

SOURCE: CR:001

SOURCE: LAP-CR-006—Share the Promise (Identifying Brand Promise)

15. C

Touch points. Customers tend to look at a business as a whole despite the number of touch points (interactions between businesses and customers) they experience. Customers' opinions of a business may or may not depend on their number of complaints, feedback surveys, or purchases.

SOURCE: CR:016

SOURCE: LAP-CR-016—Know When to Hold 'Em (Nature of Customer Relationship Management)

16. A

Economic. Economic resources are the items that businesses use to produce goods and services. In economics, these resources are divided into three major groups or types: human, capital, and natural. Human resources are the people who work to produce goods and services. Manufactured items that are used to produce goods and services are called capital goods. Natural resources include items that are found in nature which are used to produce goods and services.

SOURCE: EC:003

SOURCE: LAP-EC-014—Be Resourceful (Economic Resources)

17. C

Ownership of. Service businesses perform intangible activities and sell services rather than goods. If a service business uses a good to perform its service, the business usually does not transfer ownership of the good to customers. For example, hotels provide accommodations for travelers, but the travelers do not receive ownership of the room. Customers usually receive the benefits from, usefulness of, and information about the goods used to perform services.

SOURCE: EC:070

SOURCE: LAP-EC-070—Business Connections (Business and Society)

18. A

A well-known brand name. Often, opening a franchise brings an existing customer base that is familiar with the brand name, which can increase the possibility of success in comparison to a new, unknown business. Paying royalties and restrictions on products, prices, and location would be considered disadvantages of opening a franchise. Reliance on raw materials is a disadvantage of the manufacturing business model.

SOURCE: EC:138

SOURCE: Entrepreneur.com. (2017). *Franchising*. Retrieved September 13, 2017, from <http://www.entrepreneur.com/encyclopedia/franchising>

19. C

To expand to new, untapped markets. By offering their products in other countries, businesses are able to reach new markets to which they have not previously been able to sell their products. Using international markets as a dumping ground for obsolete, outdated products would be a short-term strategy that would eventually create a negative company image. Governments may subsidize developing countries; businesses do not. Although people in other countries may gain employment, that is not a reason for a company to offer its products in other countries.

SOURCE: EC:104

SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

20. A

Competition. Competition is the rivalry between two or more businesses to attract scarce customer dollars. Competition is vital to the successful operation of a private enterprise system because it encourages people to go into business for themselves and develop the products that consumers want. Production, mechanization, and distribution take place in the private enterprise system as well as in other types of economic systems. These activities often are the result of competition because businesses are constantly trying to improve the way they produce and distribute products in order to attract customers.

SOURCE: EC:012

SOURCE: LAP-EC-008—Ready, Set, Compete! (Competition)

21. B

Requirements for product testing. The government has passed many laws intended to protect consumers. In addition to requiring product testing, these laws prohibit false advertising and deceptive labeling, make food inspection mandatory, and set standards of safety in building construction. None of these laws are intended to monitor business growth or to generate competition. Making government effective does not necessarily protect consumers.

SOURCE: EC:008

SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)

22. C

Increasing prices. Inflation is a rapid rise in prices that may occur when demand exceeds supply or when productivity declines and costs of labor go up. When prices increase, businesses spend more to buy the goods and services they need. As a result, they increase prices to consumers to cover the increased cost of doing business. If prices continue to rise, productivity often declines because of increasing labor costs. Free trade is the absence of trade barriers.

SOURCE: EC:083

SOURCE: LAP-EC-028—Up, Up, and Away (Inflation)

23. A

Exports of \$3.5 million and imports of \$3.1 million. The balance of trade is the difference between the value of a nation's exports and its imports. A nation has a favorable balance of trade, or a trade surplus, when its exports are greater than its imports. Cash flow is the movement of money into and out of a business and is not used to determine the balance of trade. If exports are \$4.7 million and imports are \$4.8 million, the nation has a trade deficit, which means that its imports are greater than its exports. Foreign aid is the money that developed countries give to less-developed countries to help with their economic development and is not used to determine the balance of trade.

SOURCE: EC:016

SOURCE: LAP-EC-004—Beyond US (International Trade)

24. A

Cooperation. Having interest and enthusiasm can help you persuade others to help you, to work with you, or to cooperate with you in many different kinds of circumstances. Interest and enthusiasm are contagious and may help to reduce conflict and disagreements. Interest and enthusiasm do not affect security, which is freedom from danger, risk, or injury.

SOURCE: EI:020

SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (pp. 127, 166, 168, 180). Columbus, OH: McGraw-Hill Education.

25. B

Causing hard feelings among employees. Despite the importance of initiative on the job, it is sometimes possible to show *too much* initiative. Employees who are overeager run the risk of causing hard feelings among other employees. Improving job performance, higher ratings on job evaluations, and increased respect from others are all possible when you show initiative; however, they are less likely if you show too much initiative.

SOURCE: EI:024

SOURCE: LAP-EI-002—Hustle! (Taking Initiative at Work)

26. B

Communicating often and openly. Communication is one of the keys of trust building. Truly pay attention to the people you talk to instead of thinking about what you'll say next or checking something out on your phone. Answer questions as honestly and openly as you can (without giving away confidential information). People are more likely to trust you if they know you give them honest answers. Taking responsibility for your mistakes, not sharing confidential information, and keeping your promises are important techniques, but they are not illustrated by this example.

SOURCE: EI:128

SOURCE: LAP-EI-128—Trust in Me (Building Trust in Relationships)

27. A

Over-commitment can lead to a lower quality of work. It is important for workers to assess the time involved with a project before volunteering to work on it. When workers volunteer to take on too many activities (over-commitment), they often find that they don't have enough time to complete the projects thoroughly and correctly, which affects the quality of the work. Dillon may not have the authority to delegate work to other employees. Managers often notice, appreciate, and acknowledge the employees who accept additional responsibilities and produce quality work; however, these circumstances do not ensure that the employees will be promoted. When an employee takes on too many activities, starting one project before finishing another project may not improve the quality of the employee's work.

SOURCE: EI:077

SOURCE: Carlson, M. (2014, November 26). *Overcommitting and underutilizing resources is risky business*. Retrieved September 13, 2017, from <http://www.innovationmanagement.se/2014/11/26/overcommitting-and-underutilizing-resources-is-risky-business/>

28. A

Job performance. It is the job of the person who supervises your work to analyze your strengths and weaknesses. S/He is responsible for providing direction to help you in areas that need improvement. Such criticism, however, should be directed toward your role as an employee, not toward you as a person. Only when it is related to your job performance should an employer criticize your ability to accept feedback or to get along with others.

SOURCE: EI:003

SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)

29. D

Acknowledging differences as assets. Valuing diversity means openly acknowledging differences and believing that they are assets instead of problems. It does not mean ignoring or minimizing differences.

SOURCE: EI:033

SOURCE: LAP-EI-011—Getting to Know You (Cultural Sensitivity)

30. B

No. Gina is gossiping about something that may or may not be true. Gossip is rumor or talk that discloses personal information about another person. Gossiping is unethical behavior because the information may be false. When false rumors are spread about a person, the person may be hurt personally and professionally. Employees should avoid gossiping rather than risk spreading false information; therefore, Norman should not say anything to anyone. Gina's personal conversations and the operations manager's employment status do not involve Norman and are not any of his business.

SOURCE: EI:038

SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (p. 170). Columbus, OH: McGraw-Hill Education.

31. B

Credibility. Credibility is believability. To be able to persuade others, individuals need to be credible so others believe what they say. Individuals who are credible have a reputation of providing accurate information in a fair manner. They are well-informed and use reliable sources to support their opinions and ideas. As a result, others believe them and often are persuaded to do what they want. Individuals do not necessarily need to be flexible, creative, or responsible to be able to persuade others.

SOURCE: EI:012

SOURCE: LAP-EI-121—Win Them Over (Persuading Others)

32. A

Keeps the discussion on track. The facilitator is the person who serves the group. S/He is in charge of keeping the discussion on track and keeping things organized. If the consensus-building method is formal, the facilitator is the one to revise, distribute, and collect the questionnaires. The facilitator isn't in charge of the group. In fact, in consensus-building, no one is in charge because everyone has equal power. The note taker is the person who takes the notes, and the timekeeper is in charge of making sure everyone has equal time to speak.

SOURCE: EI:011

SOURCE: LAP-EI-019—It's a Group Thing (Consensus Building)

33. B

Certain outcome. Motivation is anything that drives a person to pursue a certain outcome. Motivation cannot be defined as anything that drives a person to pursue a raise at work, an achievement award, or a promotion—people may be motivated to pursue these things, but motivation is not defined exclusively by the pursuit of these factors.

SOURCE: EI:059

SOURCE: LAP-EI-059—Raise Them Up (Motivating Others)

34. A

Transparency. Transparency means being truthful when you communicate. It involves speaking up about your feelings and communicating openly, even when it's difficult. Fairness, viability, and accountability are all important ethical principles, but they are not demonstrated in this example.

SOURCE: EI:123

SOURCE: LAP-EI-123—Rules to Live By (Nature of Ethics)

35. C

A risk-taker who has a strong work ethic. Entrepreneurship requires risk-taking, a strong work ethic, and self-confidence. It often requires working much longer hours than 9 to 5. Entrepreneurs must work hard, but they are also in charge of protecting their own health. Getting sick means missing work and losing money.

SOURCE: EN:040

SOURCE: Miranda, K. (2010, July 28). *What do I need to become an entrepreneur?* Retrieved September 13, 2017, from <http://smallbusiness.chron.com/need-become-entrepreneur-2291.html>

36. B

Vacation pay. If individuals receive paid vacation, they are being reimbursed for work done. Child support income is unearned because it is court ordered. Interest and dividends are unearned because an individual is not required to work for them. Trust disbursements also qualify as unearned income because no work is done to receive them.

SOURCE: FI:061

SOURCE: TaxBraix.com. (2005-2016). *What is the difference between earned, portfolio, and passive income?* Retrieved September 13, 2017, from <http://www.taxbraix.com/tax-articles/difference-between-earned-portfolio-passive-income.html>

37. C

Credit unions. A credit union is a financial cooperative set up to provide savings and credit services to its members. These services include small loans, installment credit, and low interest rates. Commercial banks offer many financial services including checking and savings accounts, secured and unsecured loans, installment credit, and bank credit cards. They offer small and large loans, and their interest rates vary. A sales finance company is a business that purchases borrowers' contracts from sellers. Their interest rates are higher than the rates offered by credit unions. A savings and loan association is a financial institution that offers savings accounts and makes loans to borrowers. Most of their loans are for large-ticket items such as real estate.

SOURCE: FI:002

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

38. A

Cash; full. Paying the statement in full will assure that she does not have to pay extra interest on the balance and will help improve her credit history. Paying in cash is better for her credit history's health than paying with another card, because eventually she will have to pay the money owed on the other card. Paying for one card with another can lead to a downward spiral of credit card debt.

SOURCE: FI:071

SOURCE: Evolve Money. (2014, August 13). *5 simple ways for college students to stay out of credit trouble*. Retrieved September 13, 2017, from [www.evolve.com/2014/08/13/bad-credit-college-students](http://www.evolve.com/2014/08/13/bad-credit-college-students)

39. B

Disability. Disability insurance is sometimes called loss-of-income insurance because it pays a percentage of a worker's normal wages to the worker when s/he cannot work because of an illness or injury. It is often purchased through or by an employer. Cash-value is a type of life insurance that pays out the stated value of the policy at the time of death. Liability insurance protects property owners if someone else is injured on or by their property. Bodily injury is a type of liability insurance that protects vehicle owners when they cause injury to others.

SOURCE: FI:081

SOURCE: Pareto, C. (2017, March 27). *Intro to insurance: Disability insurance*. Retrieved September 13, 2017, from <http://www.investopedia.com/university/insurance/insurance5.asp>

40. D

Ensure consistent reporting. The accounting function is responsible for collecting and reporting the business's financial information. Governments require businesses to provide certain types of financial information to regulatory agencies and shareholders in specific ways. By requiring businesses to follow the same standards and rules, financial reports are prepared in a consistent way, so the information is clear to all people who read and work with financial information. The primary reason that governments regulate business accounting practices is not to certify aging accounts, stabilize tax revenue, or to balance the business's budget.

SOURCE: FI:353

SOURCE: QuickMBA. (1999-2010). *Financial accounting standards*. Retrieved September 13, 2017, from <http://www.quickmba.com/accounting/fin/standards/>

41. B

Managers. The income statement is usually analyzed by people who are responsible for the financial status of the business. This includes managers who look at ratios to monitor operations and determine whether a company is running efficiently. They also use the income statement to monitor yearly profit activity. Customers usually do not review a business's income statements unless they are also stockholders in the business. Bookkeepers usually are responsible for compiling income statement information but not analyzing it. Cashiers accept payments from customers, but they are not responsible for analyzing a business's income statements.

SOURCE: FI:094

SOURCE: LAP-FI-004—Watch Your Bottom Line (Income Statements)

42. D

Over-optimism and overconfidence. People are often guilty of being overly sure of themselves, particularly in their ability to act ethically. In this case, Nico is overly confident in his own ability to resist unethical behavior, even though he recognizes that everyone around him faces temptations. Short-term gratification is the pursuit of instant satisfaction rather than delaying rewards for greater long-term benefit. Framing is the tendency to respond to situations based on how those situations are posed or viewed. Loss aversion is the tendency to avoid a loss at all costs, even when attempting to avoid that loss can lead to consequences.

SOURCE: FI:355

SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

43. A

High. The cash from operating activities is compared to the company's net income. If the cash from operating activities is consistently greater than the net income, the company's net income or earnings are said to be of a high quality.

SOURCE: FI:541

SOURCE: AccountingCoach. (2004-2017). *Cash flow statement (explanation)*. Retrieved September 13, 2017, from <http://www.accountingcoach.com/cash-flow-statement/explanation>

44. D

False; in companies without HR departments, other managers and supervisors participate in HR management activities. Human resources management is a function of business, as well as a department. In other words, bigger companies may have a great number of employees dedicated solely to managing human resources, but in small businesses without an official "HR department," this important function still remains. And, even in big companies, human resources management is not contained solely within the HR department—supervisors and managers across the organization also take some part in managing human resources, although their level of involvement varies from business to business. Smaller companies need HR management as much as bigger ones, and HR managers aren't the only ones who can complete these activities. Not all employees will participate in HR activities, however.

SOURCE: HR:410

SOURCE: LAP-HR-035—People Pusher (Nature of Human Resources Management)

45. D

A willingness to share expertise. Knowledge management involves leveraging the expertise, insight, and information of internal and external resources to help an organization achieve its goals. To leverage knowledge, employees must be willing to share information with their coworkers and managers. When employees are willing to share their ideas and expertise, it often makes it easier to resolve problems, develop new (tangible and intangible) products, and find connections among seemingly unrelated processes that will enhance efficiency.

SOURCE: KM:001

SOURCE: DuBrin, A. (2010). *Leadership: Research findings, practice, and skills* (6th ed.) [pp. 395-399]. Mason, OH: South-Western Cengage Learning.

46. C

Transparent. Knowledge management involves leveraging the expertise, insight, and information of internal and external resources to help an organization achieve its goals. Transparency is the quality of being just as one seems—trustworthy. When employees have expertise or personal insight that can help the business achieve its goals, they should share their knowledge with their employers. Sharing knowledge means that the employees have a transparent attitude; they are willing to share their know-how, and they are not deliberately concealing knowledge that will help the business achieve its goals. Although curious and cautious behaviors are desirable traits, they are not needed for effective knowledge management processes. Businesses do not, as a general rule, want employees to be argumentative.

SOURCE: KM:002

SOURCE: Cole-Ingait, P. (2013, November 18). *Critical success factors in business knowledge management*. Retrieved September 13, 2017, from <http://smallbusiness.chron.com/critical-success-factors-business-knowledge-management-76598.html>



47. C

Knowledge repositories. Effective knowledge management tools support the collection and sharing of tacit and explicit knowledge. Knowledge repositories provide the team members of various teams and departments the ability to share their expertise to increase efficiency and solve problems. A search engine is a software program that automatically searches the Internet looking for information pertaining to specified search terms and displays a list of results. Knowledge-mapping software provides the ability to capture a business's information sources and information flow in a graphic format. Decision-support system applications retrieve and organize data to facilitate the business's decision-making processes.

SOURCE: KM:003

SOURCE: Knowledge-Management-Online. (2005-2009). *Knowledge management software*. Retrieved September 13, 2017, from <http://www.knowledge-management-online.com/Knowledge-Management-software.html>

48. B

Hierarchical information. A hierarchy arrangement sets information in a certain order, rank, or level. The laddering technique is a tool that helps an organization to capture information and categorize it into a meaningful and useful order. The business can obtain information by collecting tacit knowledge from internal and external sources. The laddering technique, which can be implemented manually or with a computer program, can help a business organize the steps necessary to complete a certain activity or process. By doing so, the business might discover ways in which it can change the ordering system to increase efficiency, such as eliminating an unnecessary task or a task that is being performed twice. Horizontal communication occurs among individuals at the same level, such as coworkers.

SOURCE: KM:005

SOURCE: NKM. (2015, December 21). *Laddering*. Retrieved September 13, 2017, from <http://wiki-nkm.iaea.org/wiki/index.php/Laddering>

49. B

Market share. Your market share, which is your company's portion of the total industry sales in your market, is 10 percent. Increased market share is a positive result for any company. Efficiency refers to how well a company is getting its job done compared to the amount of effort it's putting in. Ethics refer to a business's moral standards. Brand value refers to the worth of a brand.

SOURCE: MK:019

SOURCE: LAP-MK-003—Just Do It...Right (Company Actions and Results)

50. A

Filing an infringement lawsuit against Lamar. A trademark is a symbol, design, or word used by a producer to identify a good or service. To prevent unauthorized use of the trademark (or a similar trademark), the trademark owner should register the trademark with the government. If another company (Lamar) uses a trademark that is similar to one that has been previously registered (Seward), the original owner (Seward) can file an infringement lawsuit against the company (Lamar) to stop the unauthorized use. And in some situations, the owner can obtain monetary damages from the unauthorized user.

Directly asking Lamar to pay a fee is not a legal action. Obstruction of justice is a formal charge in which the judicial system accuses an individual with the crime of withholding critical evidence that can affect the outcome of a trial. An arrest warrant is an order issued by a judge that instructs law-enforcement officers to bring to jail an individual who has been charged with a crime.

SOURCE: NF:076

SOURCE: Nolo. (2017). *Is it trademark infringement?* Retrieved September 13, 2017, from <http://www.nolo.com/legal-encyclopedia/is-it-trademark-infringement>

51. A

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

SOURCE: NF:083

SOURCE: Rouse, M., & Martinez, C. (2015, February). *IS (information system or information services)*. Retrieved September 13, 2017, from <http://whatis.techtarget.com/definition/IS-information-system-or-information-services>

52. B

Presentation. Presentation software programs give the user the capability of presenting information by combining graphics, text, animation, photographs, and sound. Presentation software can be used to create slide programs, overhead transparencies, multimedia presentations, etc. This software enables users to develop visual presentations that are lively, colorful, and appealing to viewers. Communication software programs establish connections between computers. Numeric and electronic are not types of software programs, although some programs analyze numerical data.

SOURCE: NF:008

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 215-216). Columbus, OH: Glencoe/McGraw-Hill.

53. B

Integrated. Integrated software applications consist of two or more related computer programs that work together to record information or perform specific business tasks or functions. An example of integrated software is Microsoft Office—it consists of several related programs, such as word processing (Word), spreadsheet (Excel), presentation (PowerPoint), and database (Access). Trajectory software is used to measure velocity, wind drift, momentum, etc.

SOURCE: NF:088

SOURCE: Techopedia. (2017). *Integrated software*. Retrieved September 13, 2017, from <https://www.techopedia.com/definition/7748/integrated-software>

54. D

Scheduling. Scheduling involves setting time limits for the completion of work. If a project activity requires more time, then the project manager documents the change in the scheduling application of the software program. Desktop publishing software is used to lay out text and images to create a digital file that is suitable for desktop or commercial printing. Reporting applications summarize various types of data. Businesses use budgeting software to estimate their income and expenses.

SOURCE: NF:130

SOURCE: Bram, T., & McDonough, M. (2015, June 26). *The top 5 project scheduling software programs*. Retrieved September 13, 2017, from <http://www.brighthubpm.com/software-reviews-tips/2492-the-top-five-project-scheduling-software-programs/>

55. A

Prescriptive analytics. Prescriptive analysis is a form of predictive analysis. Predictive analysis attempts to predict possible future outcomes. Prescriptive analysis takes it further and suggests one or more future courses of action, based on the predictions of possible future outcomes. Descriptive analysis, on the other hand, summarizes what has already happened by making raw data easy to understand and useful. Instructive analytics is not a form of data analysis.

SOURCE: NF:139

SOURCE: Bertolucci, J. (2013, December 31). *Big data analytics: descriptive vs. predictive vs. prescriptive*. Retrieved September 13, 2017, from <http://www.informationweek.com/big-data/big-data-analytics/big-data-analytics-descriptive-vs-predictive-vs-prescriptive/d/d-id/1113279>

56. A  
Documents containing company information. Business records are documents containing information about a business's operations and finances—what it has done with its resources and opportunities. Business records may or may not involve information regarding sales employees, retail theft, or customer loyalty.  
SOURCE: NF:001  
SOURCE: LAP-NF-001—Record It (Business Records)
57. A  
The business cycle. A trend is the general direction in which people or events are moving. Many factors lead to trends, including economic factors. The business cycle refers to the periods of expansion and contraction in economic activities. Changes in the business cycle affect the way businesses operate. For example, during a period of expansion, business production levels tend to increase, the unemployment rate tends to decrease, and consumer confidence and spending tend to increase. During times of economic contraction, the opposite occurs—business production tends to decrease, the unemployment rate tends to increase, and consumer confidence and spending tend to decrease. Demographic and psychographic changes may indicate trends that affect how a business relates to its target market. Demographic factors are the physical and social characteristics (e.g., age) of a population. Lifestyle changes are psychographic factors that affect business activities. The emergence and wide-spread use of social media is a technological trend.  
SOURCE: NF:013  
SOURCE: Hamel, G. (2012, September 5). *Economic factors affecting businesses*. Retrieved September 13, 2017, from <http://yourbusiness.azcentral.com/economic-factors-affecting-businesses-4557.html>
58. A  
It may pay fewer taxes. If a business cuts costs, it may pay fewer taxes (if finding tax loopholes is part of the cost-savings plan). This is not always a good thing for the community in which the business operates! When a business cuts costs, it usually sacrifices product quality, spends less time and money in the community, and does not create new jobs.  
SOURCE: OP:190  
SOURCE: LAP-OP-190—Above Board (Ethics in Operations)
59. C  
Increased training time and costs. If the FDA increased requirements for food allergen awareness for food workers, a restaurant would most likely need to increase training time and costs for employees. These regulations would not directly impact speed, margins, sales, or employee retention.  
SOURCE: OP:339  
SOURCE: MetricStream. (2017). *Ensuring regulatory compliance through training and certification*. Retrieved September 13, 2017, from [http://www.metricstream.com/insights/ensuring\\_reg\\_compliance.htm](http://www.metricstream.com/insights/ensuring_reg_compliance.htm)
60. B  
Establishing safety guidelines. Businesses should establish safety guidelines for employees to follow in order to create a safe working environment. Employees who are aware of general safety procedures are less likely to make mistakes that cause accidents. While many kinds of equipment are safe when used properly, not all equipment is or can be accident proof. Purchasing insurance will reimburse the business for losses resulting from accidents, but won't prevent them.  
SOURCE: OP:009  
SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (p. 143). Columbus, OH: McGraw-Hill Education.

61. C

Robbery. Cash drop boxes are built into the floor of the business and cannot be removed or opened by employees. Businesses using drop boxes often attempt to prevent robberies by posting a sign indicating that they use a drop box. Fraud, deceiving or cheating an individual or a business out of money; burglary, any illegal entry into a building to commit a theft; and pilferage, theft of small sums of money or inexpensive items, are all types of losses that businesses try to prevent.

SOURCE: OP:013

SOURCE: Portland Police Bureau. (n.d.). *A guide to robbery prevention and response to robbery*. Retrieved September 13, 2017, from <https://www.portlandoregon.gov/police/article/31555>

62. B

Returning an urgent telephone call from an important customer. Prioritizing involves ranking things in the order of their relative importance. Employees evaluate many factors when prioritizing their work, including due dates and the time that it will take to complete a task. Oftentimes, things come up that require immediate attention, which means an employee might need to reprioritize tasks. Returning an urgent telephone call from an important customer should be the employee's top priority. Faxing a purchase order that a vendor needs the next day and preparing a simple report that is due in one week should be the next priorities. If the employee has completed those tasks, then s/he can read the online newsletter about industry trends.

SOURCE: OP:228

SOURCE: Eruptingmind.com. (2016, March 29). *Goal setting: The ultimate guide to achieving your goals*. Retrieved September 13, 2017, from <http://www.eruptingmind.com/goal-setting-the-ultimate-guide-to-achieving-your-goals/>

63. C

The necessary tasks. To coordinate work among team members, you must know what tasks should be done, who should do them, and the order in which they should be performed. It is important to communicate with all people involved in the work effort so they know exactly the process and procedures they need to follow to complete the work correctly. Technical changes are not always part of the work effort. High customer satisfaction levels may result when the work is coordinated effectively. The business's requirements or needs are considered when coordinating the work rather than the employees' requirements or needs.

SOURCE: OP:230

SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.) [pp. 267-268]. Mason, OH: South-Western Cengage Learning.

64. A

Initiation. The project life cycle consists of four stages: initiation, planning, execution, and closure. The initiation stage involves determining a project's feasibility, developing a statement of work (SoW), creating SMART objectives, and developing a project charter. The planning stage involves in-depth project planning to ensure that the project's scope is clearly defined. This entails developing a Work Breakdown Structure, identifying needed human and nonhuman resources, developing a project schedule, and preparing a project plan. The execution, or implementation, stage requires the project manager to monitor and control project activities by maintaining ongoing communication with all project participants, updating and modifying the project plan, monitoring risks, controlling project quality, gaining change approvals, and maintaining project records. The closure stage entails writing final project reports and preparing a lessons learned document.

SOURCE: OP:158

SOURCE: LAP-OP-006—Projected to Win (Nature of Project Management)

65. C

Materials. Completing a project successfully requires a mix of resources, including money, human resources, equipment, materials, etc. Although food, encouragement, and energy may be helpful, they are not as essential as having the right materials.

SOURCE: OP:001

SOURCE: LAP-OP-007—Chart Your Course (Developing a Project Plan)

66. C

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

SOURCE: OP:161

SOURCE: Egeland, B. (2009). *Choosing a vendor: Six steps to finding the best supplier*. Retrieved September 13, 2017, from <http://www.businessknowhow.com/manage/choosevendor.htm>

67. A

Ongoing cooperation. When a business is continuously willing to work with other businesses (e.g., vendors) to achieve their mutual goals, it is exhibiting ongoing cooperation. Ongoing cooperation involves a willingness to negotiate fairly and to communicate (interact) openly and honestly on a continuous basis. These actions help build a trusting and favorable relationship. In most situations, a company does not need to fully disclose all of its business information to its vendors—only relevant information.

SOURCE: OP:241

SOURCE: Bolander, J. (2010, May 31). *How to build strong vendor and supplier relationships*. Retrieved September 13, 2017, from <http://www.thedailymba.com/2010/05/31/how-to-build-strong-vendor-and-supplier-relationships/>

68. C

Standing. Standing orders involve sending products at set intervals. This type of purchase order is ideal for businesses that need the same amount of an item on a regular basis. In the example, SOA Manufacturing may need the bolts to produce its products. Because SOA knows that it generates a set amount of outputs in a certain amount of time, it advises its vendor (Colbert Company) to ship a certain amount of bolts at intervals—every other week. An advance order is a regular order that is placed now with delivery requested at a future time (e.g., weeks, months). A seasonal order is an order that is placed for seasonal merchandise, such as snow shovels or beach umbrellas. An open order is an order for staple goods that is placed with one of several available vendors who can meet the business's immediate requirements (e.g., time, price, quantity).

SOURCE: OP:250

SOURCE: Harvard John A. Paulson School of Engineering and Applied Sciences. (2013, August 16). *Standing purchase orders*. Retrieved September 13, 2017, from <https://www.seas.harvard.edu/financial-operations/purchasing/standing-purchase-orders>

69. D

Wood. Manufacturers keep inventory of items that they need to produce their goods. Wood is an example of a raw material that a manufacturer might keep in inventory to produce items such as furniture, shelves, wall paneling, musical instruments, etc. Toothpaste, staplers, and chairs are examples of finished goods.

SOURCE: OP:336

SOURCE: Borad, S.B. (2017, August 31). *Types of inventory/stock*. Retrieved September 13, 2017, from <https://efinancemanagement.com/costing-terms/types-of-inventory-stock>

70. A

Concession. A concession is something that one party gives up during a negotiation. In many situations, one party will give up something that it wants and use it (the concession) as leverage to get something else that it wants later in the negotiation process. Withdrawal is a conflict response mode in which one or both parties exhibit passive behavior and express a low level of cooperation. A plea is a request. A position is what someone believes about an idea or issue.

SOURCE: OP:337

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 476-478]. Mason, OH: South-Western Cengage Learning.

71. B

Arriving at work on time. Employees should arrive on time because the business pays them to work a specific amount of time. Rotating stock helps to keep merchandise fresh and appealing to customers, but daily rotation would increase expenses because of the time it would take. Employees should also help to control expenses by handling products carefully to prevent damage and by being on the lookout for thefts by customers or other employees.

SOURCE: OP:025

SOURCE: LAP-OP-025—Buck Busters (Employee Role in Expense Control)

72. D

SWOT. A SWOT analysis is a marketing tool that systematically investigates a business's strengths, weaknesses, opportunities, and threats. Conducting a SWOT analysis can help a company determine what it needs to do to act on opportunities, build on its existing strengths, reduce threats, and improve or correct weaknesses. This, in turn, will help the business remain competitive in the marketplace. PERT is the acronym for program evaluation and review technique, which is a method (flowchart) that businesses often use to coordinate product-development activities. Financial leverage refers to the tools that a business has to increase its wealth or assets. Resource allocation is the ways in which a business uses its employees' skills, funds, supplies, and equipment.

SOURCE: OP:327

SOURCE: Vitez, O. and Schroeder, P. (2017, August 10). *What are the different types of business analysis tools?* Retrieved September 13, 2017, from <http://www.wisegeek.com/what-are-the-different-types-of-business-analysis-tools.htm>

73. C

Merges with another company. An alteration to a company's current business process is considered a business process change. If a company undergoes a significant change, such as merging with another company, it requires a change in business procedures. Planning a meeting for Friday and having a profitable quarter are not reasons to change a business process. If a company goes out of business, it would no longer have business processes.

SOURCE: OP:476

SOURCE: Holmes, T., & Everett, W. (2017, August 12). *What is business process change?* Retrieved September 13, 2017, from <http://www.wisegeek.com/what-is-business-process-change.htm>

74. A

Stop production. If there is a disruption in the supply chain, a business may not get the materials it needs on time. In that case, it will be unable to manufacture products and may need to stop production. Supply chain disruptions do not help a business to make more money, create happy customers, or encourage employees.

SOURCE: OP:477

SOURCE: Ingram, D. (2013, November 1). *How does supply chain management affect manufacturing companies?* Retrieved September 13, 2017, from <http://smallbusiness.chron.com/supply-chain-management-affect-manufacturing-companies-75841.html>

75. B

Technology. Online shipment tracking is one example of technology affecting supply chain management. This is not an example of globalization, an economic downturn, or production changes affecting supply chain management.

SOURCE: OP:478

SOURCE: Ghorban, M. (2011, August 29). *How technology can ease supply chain management and mitigate risk.* Retrieved September 13, 2017, from <http://www.supplychainbrain.com/content/general-scm/sc-analysis-consulting/single-article-page/article/how-technology-can-ease-supply-chain-management-and-mitigate-risk/>

76. C

Redesigned. Factors such as changing laws, new companies, companies going out of business, and material availability can cause companies to redesign their supply chain networks often. Supply chain networks should not be eliminated because they are not unimportant. A properly designed supply chain network should help a company become more profitable.

SOURCE: OP:479

SOURCE: Balaji, L.N. (2013, July 8). *How to reduce costs through supply chain network optimization*. Retrieved September 13, 2017, from <http://www.industryweek.com/planning-and-forecasting/how-reduce-costs-through-supply-chain-network-optimization>

77. A

Increased delivery times. Most companies want to reduce supply chain costs. Some of them may decide to use overseas suppliers, who often have lower prices and lower taxes. However, using an overseas supplier can often result in increased delivery time and a more complex supply chain.

SOURCE: OP:480

SOURCE: Berrios, D. (2014, March 6). *Challenges in supply chain management*. Retrieved September 13, 2017, from <https://bus.wisc.edu/mba/supply-chain-management/blog/2014/03/06/challenges-in-supply-chain-management>

78. D

Follow company policies about giving out personal information. If employees want to help their companies protect digital assets, they should follow company policies about giving out personal information. They do not need to send out emails about security policy changes; this would be done by management or the IT department. Employees should not share their passwords with everyone in the company or download documents from unevaluated websites.

SOURCE: OP:517

SOURCE: DeMers, J. (2015, April 3). *How to protect your company's data by keeping your employees informed*. Retrieved September 13, 2017, from [http://www.huffingtonpost.com/jayson-demers/how-to-protect-your-compa\\_b\\_6993576.html](http://www.huffingtonpost.com/jayson-demers/how-to-protect-your-compa_b_6993576.html)

79. C

Perform job expectations. The ability to perform job expectations and duties may be directly affected by the lack of exercise, sleep, and adequate relaxation. Employees might not be able to sustain the energy levels required for many job duties if they are tired, out-of-shape physically, or tense. Lack of exercise, sleep, or adequate relaxation do not necessarily affect an individual's ability to socialize with coworkers, enter training programs, or learn of new opportunities.

SOURCE: PD:002

SOURCE: LAP-PD-005—Brand ME! (Personal Appearance)

80. C

A plan helps you to achieve your goals. With a personal plan of action, you will have a written, step-by-step method of achieving your goal, not just a vague idea of something you desire. However, not even a written plan can guarantee success in reaching goals. It is possible to achieve some goals without having a written plan, depending on the nature of those goals. It is not necessary to share the plan with others.

SOURCE: PD:018

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

81. C

Creative destruction. Creative destruction is a term coined by Joseph Schumpeter to describe how new goods and services can hurt existing products. For example, a new 12-screen movie theater is likely to draw customers away from an older single-screen drive-in movie theater nearby—causing the drive-in to go out of business. A competitive advantage is the edge achieved by businesses that offer something better than their competitors. Creative advantage and competitive destruction are not terms typically used.

SOURCE: PD:126

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

82. C

Problem solving. Creativity is an important skill to use in problem solving. We need to solve problems in our daily lives, at school, and at work. Sometimes, it requires a great deal of creativity to figure out the problems we face. Creativity isn't necessary for ethics, calculus, and accounting—these disciplines require black-and-white rules to be successful. Getting too creative with them can lead to a lot of trouble!

SOURCE: PD:012

SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

83. A

Samuel manages his company's call center. Managing a call center is an operations management job duty. Kylie has a general management career, while Wyatt and Valerie have human resources management careers.

SOURCE: PD:297

SOURCE: LAP-PD-019—Career Opportunities in Business Management and Administration

84. A

Freelancing. Freelancing is a great way to gain work experience and allows people to bid on jobs for lower wages. Volunteering is another way to gain work experience but normally doesn't involve pay. An internship may not pay the best, but it puts people in an organization so they can be immersed in the professional role. An apprenticeship allows people to earn higher wages while learning a job in a particular field.

SOURCE: PD:032

SOURCE: Duermyer, R. (2017, July 2). *Advantages and perks of being a freelancer*. Retrieved September 13, 2017, from <https://www.thebalance.com/what-is-freelancing-1794415>

85. D

Constraints. The statement of work (SoW) is a document that outlines the terms, commitments, and conditions of the project. The SoW should outline any limits or restrictions (e.g., time, money, human resources) that might affect the execution of the project, which should be placed in the constraints component of the SoW. The purpose or reason for the project is outlined in the beginning of the SoW. The benefits are the project's advantages. Deliverables are the goods, services, or documentation that will be provided to the stakeholder upon completion of the project. The example does not describe the purpose, benefits, or deliverables of the project.

SOURCE: PJ:005

SOURCE: Project-management.com. (2016, December 16). *How to write the project statement of work (SOW)*. Retrieved September 13, 2017, from <https://project-management.com/how-to-write-the-project-statement-of-work-sow/>

86. A

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

SOURCE: PJ:006

SOURCE: Project Management Knowledge. (2017). *Work breakdown structure dictionary*. Retrieved September 13, 2017, from <http://project-management-knowledge.com/definitions/w/work-breakdown-structure-dictionary/>



87. A

Producing. During the execution phase of a project, team members perform or produce the work to create the desired outputs. Forecasting is the process of estimating something and is a planning activity. Financing is the process of obtaining the funds to produce the project. Arbitrating is the process of facilitating a negotiation process.

SOURCE: PJ:009

SOURCE: Watt, A. (2014). *The project life cycle (phases)*. Retrieved September 13, 2017, from <https://opentextbc.ca/projectmanagement/chapter/chapter-3-the-project-life-cycle-phases-project-management/>

88. B

Providing feedback. One activity that project managers perform is providing team members with feedback. Feedback is necessary to solve problems, correct mistakes, make improvements, and encourage team members. Jane is not resolving a conflict, encouraging teamwork, or assessing skills.

SOURCE: PJ:007

SOURCE: Project Management Knowledge. (n.d.). *Manage project team*. Retrieved September 28, 2017, from <http://www.project-management-knowledge.com/definitions/m/manage-project-team/>

89. C

Lowering costs. Quality management involves the coordination of resources to ensure the degree of excellence of a process, good, or service. First implemented by Motorola, Six Sigma is a quality-management framework that involves continuously setting higher goals of perfection. The Six Sigma framework builds upon previous goals to set higher goals in order to continuously improve the quality of the business's goods, services, or processes. An important aspect of the Six Sigma philosophy is continuously lowering costs while improving quality. The ultimate goal is to maximize outputs, have no process or product defects, and minimize production costs. The focus of the Six Sigma framework involves the efficient allocation of its own internal and external resources rather than the assessment of competitors. Continuous improvement may or may not require intermediary changes and increases in visibility.

SOURCE: QM:002

SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.) [pp. 576-577]. Mason, OH: South-Western Cengage Learning.

90. A

Breakthrough. Continuous improvement is the ongoing practice of looking for ways to increase the levels of excellence of a process, good, or service. Breakthrough improvements often occur suddenly and result in immediate, drastic changes. The emergence of desktop computers changed the way businesses operate. Within a relatively short time, much of today's workforce now depends on desktop applications to perform their work. Incremental improvement involves carrying out small changes over time. Compliant and supplemental are not types of continuous improvement.

SOURCE: QM:003

SOURCE: Crom, S. (n.d.). *Getting it right first time: Six Sigma for continuous and breakthrough improvement*. Retrieved September 13, 2017, from [https://www.valeocon.com/portal/en/docs/articles/Getting\\_It\\_Right\\_The\\_First\\_Time.pdf](https://www.valeocon.com/portal/en/docs/articles/Getting_It_Right_The_First_Time.pdf)

91. D

Providing incomplete data for audits. Ethical risk management must be implemented by everyone in an organization to protect the company's credibility with its stakeholders. By providing incomplete data for audits, employees are acting unethically and risking the company's future existence. Revealing discounted expenses is an ethical action. Using or not using insurance companies represents external risks for a business.

SOURCE: RM:041

SOURCE: AICPA. (2016, June 30). *Professional ethics: Most frequent violations of professional standards*. Retrieved September 13, 2017, from <http://www.aicpa.org/interestareas/professionalethics/resources/ethicsenforcement/downloadabledocuments/governmentnotforprofitreport.pdf>

92. B

Automated notification. By automatically notifying managers or other designated employees when an attempted breach occurs, the company can take swift action to increase its technological security. Forensic accounting involves the use of accounting skills and applications to investigate alleged illegal activity in relation to financial information. An organic scoreboard and genetic algorithm are not applications used to alert a company about an attempted computer breach.

SOURCE: RM:042

SOURCE: LogicManager. (2017). *Risk management information system*. Retrieved September 13, 2017, from <http://www.logicmanager.com/grc-software/rmis-systems/>

93. C

Environmental. Environmental risks include natural disasters. When relying on a factory in another country, the automobile manufacturer in Country A assumes the risk that if a natural disaster occurs in Country B, it will possibly be unable to continue production. This is not an example of employee, political, or health and safety risks.

SOURCE: RM:092

SOURCE: NIBusinessInfo.co.uk. (2017, March 14). *Risk management: The types of risk your business faces*. Retrieved September 13, 2017, from <https://www.nibusinessinfo.co.uk/content/types-risk-your-business-faces>

94. A

Their decisions affect the entire company. Top-level management is composed of all managers who are responsible for the entire company. They receive higher salaries than other managers because they make important decisions that affect the whole company. They may or may not have more experience than others in the company. Attending meetings would not influence salaries. Top-level management is not involved in hands-on supervision.

SOURCE: SM:001

SOURCE: LAP-SM-003—Manage This! (Concept of Management)

95. A

Tactical. Tactical planning is short-range planning—one year or less—and involves determining the specific actions the business needs to take to carry out its strategic plan, which is more general in nature. A contingency plan is an alternative course of action that a business implements when it is not feasible to carry out the original plan. Long-term planning involves setting goals that will take the business more than a year to achieve.

SOURCE: SM:063

SOURCE: Brydson, D. (2017). *Strategic and tactical planning: Understanding the difference*. Retrieved September 13, 2017, from <http://smallbizlink.monster.com/training/articles/855-strategic-and-tactical-planning-understanding-the-difference>

96. B

Structure. The organizing function of management focuses on setting up the way the business's work will be done. Organizing provides the business with structure—a systematic, orderly way for carrying out activities to accomplish the business's goals. Insight can help managers develop the best structure for the business. Leverage refers to the amount of power one person holds during a negotiation. Motivation is directing activity.

SOURCE: SM:064

SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.) [pp. 246-247]. Mason, OH: South-Western Cengage Learning.

97. D

Training. Staffing is the management function of finding workers for the business. A primary staffing function involves training the employees to perform the work correctly. Recruiting is the staffing function of finding workers to perform the work. Interviewing involves meeting with job applicants to assess their skills and to determine if they are a good fit for open positions. Appraising is an activity that involves evaluating an employee's work performance.

SOURCE: SM:065

SOURCE: Management Study Guide. (2017). *Functions of management*. Retrieved September 13, 2017, from [http://www.managementstudyguide.com/management\\_functions.htm](http://www.managementstudyguide.com/management_functions.htm)

98. A

Motivating an employee. Directing is the management function of providing guidance to workers and work projects. Directing often involves motivating employees, which is getting employees to strive to achieve management's objectives because they want to achieve them. Managers motivate employees in a variety of ways, such as providing positive feedback, pay raises, and incentives (e.g., time off). Establishing a schedule and delegating responsibility are organizing activities. Training is a staffing activity.

SOURCE: SM:066

SOURCE: Management Study Guide. (2017). *Importance of directing function*. Retrieved September 13, 2017, from [http://www.managementstudyguide.com/importance\\_of\\_directing.htm](http://www.managementstudyguide.com/importance_of_directing.htm)

99. B

Suitable, understandable, and timely. Control is a management function that monitors the work effort. For managers to control business activities in an effective manner, control methods must be applicable for the situation (e.g., a graphic artist performs different activities than the plant manager), understandable so employees perform activities correctly, and timely (e.g., products are not shipped before they are packed appropriately). Generally, effective control systems are also economical (cost effective) and relevant. The rigidity, flexibility, transferability, responsiveness, and tangibility of the control system are often dependent on the situation.

SOURCE: SM:004

SOURCE: CliffsNotes. (2016). *Effective organizational control systems*. Retrieved September 13, 2017, from <https://www.cliffsnotes.com/study-guides/principles-of-management/control-the-linking-function/effective-organizational-control-systems>

100. A

Organizations always need to change. Change management occurs in a cycle because change is a constant need for organizations. It is not unnecessary or harmful. Change management may be difficult to implement sometimes, but this does not explain why it occurs in a cycle.

SOURCE: SM:096

SOURCE: Gilbert, J. (2009, April 14). *The change management life cycle; Involve your people to ensure success*. Retrieved September 13, 2017, from <http://www.batimes.com/articles/the-change-management-life-cycle-involve-your-people-to-ensure-success.html>