



# SAMPLE EXAM

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## HOSPITALITY + TOURISM CAREER CLUSTER

### THE HOSPITALITY AND TOURISM CAREER CLUSTER EXAM IS USED FOR THE FOLLOWING EVENTS:

HOTEL AND LODGING

RESTAURANT AND FOOD SERVICE MANAGEMENT

TRAVEL AND TOURISM

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

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1. John would like to start a small business, but he has limited capital and experience. What form of business ownership should he consider?
  - A. Sole proprietorship
  - B. Corporation
  - C. Monopoly
  - D. Partnership
  
2. A travel agent reviews the features of a cruise, prices, conditions of the contract, and cancellation penalties with a customer. The travel agent is providing the customer with
  - A. full disclosure.
  - B. maximum value.
  - C. human relations.
  - D. truth in advertising.
  
3. Because the regulations of various jurisdictions differ, tour-bus drivers must be aware of and follow specific \_\_\_\_\_ laws.
  - A. airspace
  - B. traffic
  - C. shipping
  - D. property
  
4. Allison is attending a business seminar. Because the seminar presenter is speaking very quickly, Allison is having a difficult time taking accurate notes. What technique would help Allison take notes quickly?
  - A. Write notes on index cards
  - B. Use abbreviations and symbols
  - C. Focus on the subtopics
  - D. Ask the speaker to provide handouts
  
5. What should businesses include in a persuasive message?
  - A. Graphic design
  - B. Elaborate typeface
  - C. Logical evidence
  - D. Strong language
  
6. Jane writes a short summary to advise her manager that she is working on the second phase of the project. What type of simple report is Jane preparing?
  - A. Feasibility
  - B. Progress
  - C. Analytical
  - D. Proposal
  
7. How quickly should a small bed and breakfast respond to customer's questions and suggestions posted on its social media sites?
  - A. Within a few hours
  - B. Within a day or two
  - C. Within a week
  - D. Within a month
  
8. If you are writing a promotional email about your new hotel to an audience that has a lower income level than your usual customers, you might change your message to emphasize
  - A. an emotional appeal.
  - B. long, detailed phrases.
  - C. discounts and bargains.
  - D. luxury and comfort.

9. Why should hotels train their staff on using guest recovery solutions?
  - A. So they understand that recovery solutions are required by law
  - B. So they can inform unhappy customers of the hotel's policies
  - C. To empower staff members to resolve customer service complaints
  - D. To reduce a hotel's legal obligations to unsatisfied customers
  
10. A diner is dissatisfied with the way his/her medium-well steak was prepared. What is the first step the waiter should take to resolve the situation?
  - A. Ask the kitchen to prepare a steak that is well done
  - B. Offer to remove the charge for the meal from the check
  - C. Listen to the diner's concerns to determine a resolution
  - D. Tell the customer that the steak was properly prepared
  
11. A hotel guest who has been openly rude to staff during his stay has remained in his room past checkout time. The room is needed for a reservation later in the day. How should a hotel employee initially handle the situation?
  - A. Call the police to have the guest removed from the hotel
  - B. Knock on the door with an associate present and ask the guest to leave
  - C. Confront the guest and insist that he leave the hotel
  - D. Wait until the guest leaves his room and change the keycard code to lock him out
  
12. Good customer service is especially important in the hospitality and tourism industry because success relies upon
  - A. smart sales strategies.
  - B. high-end products.
  - C. return customers.
  - D. networking efforts.
  
13. Which of the following is an example of a positive moment of truth in customer service:
  - A. Offering a customer-satisfaction survey
  - B. Showing concern for customers' lengthy wait
  - C. Following a script when talking to customers
  - D. Aggressively upselling to customers
  
14. Which of the following statements about customer relationship management (CRM) is true:
  - A. A business has implemented a CRM program if it is providing good customer service.
  - B. A primary goal of CRM is to maximize the long-term value of customer relationships.
  - C. Price is the most important factor in building a long-term buyer/seller relationship.
  - D. Organizational culture has little effect on a customer's experiences with a business.
  
15. Iliana handles room reservations for a hotel, and recently, she received an online reservation for a large block of rooms from a new customer. Iliana was suspicious that the purchase could be fraudulent. How can she determine whether the reservation is legitimate?
  - A. Verify the purchaser's identity via phone
  - B. Learn about the company's credit card policy
  - C. Run a background check on the purchaser
  - D. Refrain from working with third-party booking agents
  
16. Every three months, Girard's Gourmet Foods requires all employees to change the passwords they use to access customer data. The company is guarding against
  - A. identity theft.
  - B. competitive advantage.
  - C. patent violation.
  - D. negative reviews.

17. When a business processes a customer's payment, it records the payment as a
- type of sale.
  - debit transaction.
  - receipt of cash.
  - financial expense.
18. Hailey runs the social media accounts for a restaurant. When she sees a post complaining about the restaurant's service, what should she do?
- Flag the post as inappropriate so it will be taken down
  - Ignore the post so that it will not gain any more attention
  - Post a reply denying the accuracy of the customer's complaint
  - Reply to the post promptly with an apology and a promise to improve
19. What type of product do consumers usually need more information about before buying in order to get the best price?
- Specialty
  - Shopping
  - Industrial
  - Convenience
20. Molly works in operations. Her job is to make sure that the business has all the supplies it needs to keep production going smoothly. Molly works in the area of
- purchasing.
  - financial analysis.
  - marketing.
  - human resources management.
21. Which of the following is a true statement about breaking the law:
- It will make a company more popular.
  - It may have different consequences than breaching ethics.
  - It is necessary for business success.
  - It is acceptable in most industries.
22. Hospitality businesses have a positive impact on a community's economy because they provide jobs that stimulate
- local inflation.
  - credit ratings.
  - tax rates.
  - consumer spending.
23. One way in which government protects private property is to provide
- patents or copyrights.
  - local governmental programs.
  - Federal Reserve Banks.
  - fire insurance policies.
24. When consumers' purchasing power decreases, the economy will experience a period of
- expansion.
  - contraction.
  - containment.
  - emergence.
25. You have just had an experience that greatly reduced your level of self-esteem. Which of the following is a constructive action to take:
- Wish it hadn't happened.
  - Blame someone else for what happened.
  - Forget about it.
  - Analyze what happened.

26. The probability of a risk can be determined by considering its
- severity.
  - likelihood.
  - magnitude.
  - cost.
27. When Tori considers taking something that doesn't belong to her, which ethical principle could help her recognize that she's facing an ethical dilemma?
- Respect
  - Transparency
  - Accountability
  - Trust
28. The first step in the process of idea selling is
- overcoming audience objections.
  - doing advance preparation.
  - explaining solutions to needs.
  - appealing to audience's needs.
29. Even though Coach Chris is an extremely smart person, he's very willing to admit that he doesn't know everything. And, when he makes a mistake, he acknowledges his error in judgment and tries to learn from the situation. Which of the following character qualities best describes Coach Chris:
- Dependability
  - Enthusiastic
  - Patient
  - Humble
30. Margaret recently took out a personal loan from her local bank. In exchange for receiving the loan, Margaret agreed to pay an additional 6.9% of the original loan amount to the bank each year. 6.9% is Margaret's
- compound value.
  - present value.
  - inflation rate.
  - interest rate.
31. Customers that use revolving credit accounts are required to pay an additional cost on any balance unpaid at the end of each payment period. Which of the following terms refers to this added cost:
- Finance charge
  - Annual fee
  - Interest rate
  - Installment payment
32. When preparing her tax return, Lynnette listed the interest that she paid on her student loan as
- taxable earnings.
  - investment income.
  - a tax-exempt investment.
  - an itemized deduction.
33. A manager looks at financial information and sees that the company could save money by switching to a different Internet provider. This is an example of using financial information to
- increase sales.
  - reduce expenses.
  - create a budget.
  - plan business expansion.

34. The reason why a business prepares a balance sheet is to determine its
- future sales goal.
  - average cash flow.
  - estimated annual income.
  - current financial situation.
35. Which of the following is an internal procedure that many businesses use to control cash:
- Evaluate projected budgets
  - Monitor intangible assets
  - Track dividends paid to owners
  - Give receipts to all customers
36. The cash conversion cycle should be
- as long as possible.
  - at equilibrium.
  - as short as possible.
  - on an upward trend.
37. When a guest makes guaranteed reservations with a credit card, how is an authorization check applied to the card?
- The card is charged with the full room rate when the guest checks in.
  - A hold is placed on a portion of the card's available credit line when the reservation is made.
  - The card is charged with the full room rate when the reservation is made.
  - A hold is placed on a portion of the card's available credit line when the guest checks in.
38. Introducing new employees to their coworkers, reviewing company policies, and giving a tour of the business facility are components of a company's
- evaluation system.
  - training simulation.
  - orientation program.
  - selection process.
39. The employees at the Sunset Beach Resort are not engaged in their work and do not seem committed to the organization's goals. The manager should
- refrain from criticizing employees.
  - tie employees' rewards to the organization's goals.
  - socialize frequently with coworkers outside of work.
  - hold a team-building event once a year.
40. Which of the following is an example of a stereotype that could prevent workplace diversity:
- Larissa generally does not like people who are from different countries.
  - Deja only collaborates with coworkers who are her personal friends.
  - Ronnie delegates the easiest tasks to Heidi because he wants to go on a date with her.
  - Joe does not hire women to be drivers because he believes they are more accident-prone.
41. The Cozy Night Motel chain wants to learn about hospitality trends. Which secondary source would provide the chain with the desired information:
- Guest comment cards
  - Sampling plan
  - Trade association
  - Telephone interview
42. The Freemont Bed and Breakfast Inn collects suggestion cards from its guests to get their feedback about the inn's accommodations and amenities. This is an example of a lodging facility that is collecting \_\_\_\_\_ information.
- complementary
  - linear
  - secondary
  - primary

43. Which of the following types of information is most likely to be found on a hospitality and tourism blog:
- Market segmentation information
  - Client information
  - Competitive analysis
  - Industry trends
44. To track environmental changes impacting hospitality and tourism marketing, a destination marketer should use
- push technology.
  - model building.
  - customer discovery.
  - market-basket analysis.
45. Which of the following is a reliable source of information that a resort can use to determine its peak season:
- Sales history
  - Current occupancy rate
  - Staff reviews
  - Standards
46. Identify the marketing function in the following situation: While shopping at the mall, Susan is asked her opinion of different brands of shampoo.
- Behavioral segmentation
  - Promotion
  - Marketing-information management
  - Specialty advertising
47. A hotel employee tells his/her guests that the hotel offers shuttles to and from the airport. This is an example of
- process marketing.
  - service marketing.
  - a tangible product.
  - a luxury product.
48. While watching a travel show on television, Alex saw an advertisement for a tropical resort. This is an example of \_\_\_\_\_ segmentation.
- behavioral
  - psychographic
  - demographic
  - geographic
49. Appropriate information management can
- create more jobs.
  - save time and money.
  - create more difficult decisions.
  - result in audits.
50. Which of the following technologies has made manufacturing more efficient:
- The Internet
  - Satellites and software
  - Cell phones
  - Improved materials and methods
51. Payroll, hotel reservations, and sales orders are handled by a(n) \_\_\_\_\_ type of information system.
- executive support system
  - knowledge work system
  - decision support system
  - transaction processing system

52. William is thinking about getting a new smartphone, so he logged on to a well known website to read others' opinions and experiences with different types of smartphones that are currently on the market. William is reading Internet product reviews to
- reaffirm his recent purchasing selection.
  - compare the prices of smartphones from various online stores.
  - determine which company has the best phone plan.
  - make an informed buying decision.
53. What software are hotels, resorts, and various transportation entities using to expedite the reservation process for customers?
- Customer relationship management
  - Customer reservation systems
  - Online booking
  - Websites
54. The manager of Le Chateau Geneve is planning a special wine tasting event for her most loyal, high-spending customers. To develop a list of individuals who would be suitable to invite to the event, she should query the restaurant database for all customers who
- frequent the restaurant at least three times per month and spend an average of at least \$50 on a bottle of wine.
  - frequent the restaurant at least three times per month and leave tips that average at least 15% of the total bill.
  - spend an average of at least \$50 on a bottle of wine and leave tips that average at least 15% of the total bill.
  - spend an average of at least \$50 on a bottle of wine and frequent the restaurant at least three times per quarter.
55. Vanessa is putting procedures into practice so that her business records will not be lost in an office fire. She is practicing which tip of good record keeping?
- Avoid hazards
  - Pick a style
  - Use a system
  - Prevent errors
56. What is an economic factor that businesses might identify as a result of conducting an environmental scan?
- Population shift
  - Increased regulation
  - Unemployment rate
  - Lifestyle adjustment
57. When preparing the property's marketing plan, Samantha researched the current, popular travel destinations; the ways in which visitors spend their money; the duration of their vacations; and their demographics. These are examples of \_\_\_\_\_ trends.
- technology
  - competitive
  - visitor
  - industry
58. Technological advances over the past 10 years have made it possible
- to eliminate the taxes paid by consumers for airline tickets.
  - for travelers to check flights on any major air carrier in the world.
  - for travel agencies to increase the number of available positions.
  - to decrease frequent flyer miles earned by passengers.

59. The overall responsibility for maintaining business ethics lies with
- suppliers.
  - owners and managers.
  - customers.
  - employees.
60. Which of the following statements about practicing good safety habits is true:
- Thinking about safety distracts employees from their jobs.
  - Employees who take shortcuts are safety conscious.
  - Employees should always be thinking about safety.
  - Everything employees need to know about safety is written down.
61. A business should obtain a patent when it
- develops an innovative product.
  - designs a new logo.
  - publishes an informative article.
  - has an extensive customer list.
62. An effective way to prioritize work is to categorize tasks in
- numerical sequence.
  - alphabetical order.
  - order of their importance.
  - relation to enjoyment level.
63. Alana and Mikey are working on a group project for school. On the day that the project is due, Mikey and Alana realize that they've both been working on the same task, and as a result half of their project isn't done. Their teamwork would most likely have benefited from more
- money.
  - classroom instruction.
  - time.
  - communication.
64. When delegating work to other employees, managers should
- expect that delegated work will not meet expectations.
  - give employees total freedom and authority.
  - monitor all employee progress as closely as possible.
  - clearly communicate all timelines and deadlines.
65. You think that you and your coworkers could do your work in a more efficient manner, so you want to streamline your work processes. Which of the following actions should you take:
- Add more steps to your work process.
  - Create a plan yourself and present it to everyone.
  - Take a big-picture view of the work.
  - Get input from employees above and below you.
66. What component of a project plan outlines the manner in which information about the project will be distributed to the project's team members and stakeholders?
- Change-management proposal
  - Contingency plan
  - Risk-management proposal
  - Communication plan
67. Which of the following is an example of a buyer placing an advance order:
- On Tuesday, Katherine placed an order for 22 cases of paper towels to replenish depleted stock.
  - Alan placed a large order on March 10 for a new video game that is to be released on June 1.
  - Fred ordered a 2' X 4' sign imprinted with the company's logo, which he wants to pick up on Monday.
  - In January, Lindsey ordered outdoor seasonal goods from a vendor without providing specific styles, sizes, or colors.

68. Jackson works for a hotel as a quality-control specialist. In the past, he inspected every hotel room once a week to ensure that the rooms remained clean, attractive, and fully stocked. Lately, however, he has been skipping weekly inspections and only checking the hotel rooms that guests tell him need attention. What mistake is Jackson making?
- A. He is not trusting his housekeeping staff to perform their jobs well.
  - B. He is failing to communicate effectively with the staff he oversees.
  - C. He is not inspecting dirty or unordered hotel rooms thoroughly enough.
  - D. He is being reactive instead of proactive in his quality-control practices.
69. Employees who handle company property correctly so it needs less repair often help the business
- A. save money.
  - B. decrease output.
  - C. stop theft.
  - D. reduce prices.
70. How can front-office staff at a small property secure the lobby and reception areas from outsiders during the late night?
- A. By denying access to the property
  - B. By observing escalators and elevators
  - C. By denying access to stairwells
  - D. By monitoring surveillance equipment of the pool area
71. If a hotel guest experiences a medical emergency, management should respond by
- A. creating distractions to keep other guests from discovering the problem.
  - B. seeking out employees who may be responsible for the problem.
  - C. offering the guest a list of nearby medical providers or phoning for necessary help.
  - D. staying out of the situation to avoid possible lawsuits.
72. Which of the following is a security consideration for people employed in the hospitality and tourism industry:
- A. Unauthorized individuals found on the scene
  - B. Patron choking on food
  - C. Spilled water on a marble floor
  - D. Patron calling back to determine whether an item is lost and found
73. Why should you dress well to succeed at work?
- A. It will get you promoted.
  - B. It shows off your personal fashion sense.
  - C. It sends a positive message about you to others.
  - D. It shows a higher financial status.
74. Time management refers to how people
- A. keep a time log.
  - B. organize their belongings.
  - C. use their calendars.
  - D. use the 24 hours in their day.
75. Which of the following is an example of an entrepreneurial opportunity:
- A. Determining hiring needs
  - B. Working as a store manager
  - C. Buying an existing business
  - D. Buying a custom-made product
76. A primary reason that employers often consider hiring a person with internship experience is because it implies that the applicant possesses
- A. traits such as initiative and commitment.
  - B. the ability to work with financial data.
  - C. a well-rounded educational background.
  - D. a network of prospective sales contacts.

77. Lisa is opening a new bed and breakfast and might benefit from joining a hospitality trade association because she can
- A. obtain credit to purchase equipment for the business.
  - B. earn a college degree and become a certified hotelier.
  - C. network with others who have expertise in the industry.
  - D. discuss personal business with her colleagues.
78. How can hospitality and tourism trade journals aid in professional growth?
- A. Substitute for job training
  - B. Provide listing of new patents
  - C. Contain job postings
  - D. Recommend newspaper subscriptions
79. Which of the following techniques will help you be more likely to remember and follow the rules:
- A. Reading the rules once
  - B. Ignoring rules you don't like
  - C. Following your own set of rules
  - D. Understanding the rules and their purposes
80. The development of cars and airplanes fueled the growth of the hospitality and tourism industry because these forms of transportation provided the general public with increased
- A. sensitivity.
  - B. mobility.
  - C. creativity.
  - D. stability.
81. Because of regular changes in the supply of and demand for hotel rooms, prices for rooms are often
- A. consistent.
  - B. negotiable.
  - C. classified.
  - D. imprecise.
82. Which of the following factors impacts the price of hospitality and tourism products:
- A. Seasonality
  - B. Tangibility
  - C. Fragility
  - D. Inelasticity
83. The stage in the product life cycle that includes planning ways to promote and distribute the product to the customer is
- A. decline.
  - B. growth.
  - C. introduction.
  - D. maturity.
84. When a manufacturing company decides how many parts should be in each box, what the quality of those parts should be, and how quickly employees should make the parts and package them, it is setting product
- A. costs.
  - B. grades.
  - C. sales.
  - D. standards.

85. Jane is interested in purchasing a new car. She sees little difference between the Pontiac Firebird and the Chevrolet Camaro and is unsure about the unique characteristics of each. Jane's decision might be easier if marketers at Pontiac or Chevrolet changed their company's brand
- maintenance.
  - licensing.
  - extension.
  - position.
86. Builderwebs is an online startup that builds websites for businesses for \$100 per web page. For just \$10 more, the company will also optimize the web page for search engines. Which tactic is Builderwebs using to cross-sell to its customers?
- Customer loyalty program
  - Cross linking
  - Product bundling
  - Content marketing
87. An all-inclusive resort hotel is about to open in a newly developed part of Jamaica. It will be the tallest building on the island. Its target market is 35- to 55-year-olds. The resort is right on the water and positioned so that guests have an unimpeded view of the sunset. A number of fast-food restaurants have also opened in the area. The resort is moderately priced. What would you suggest as the hotel's competitive advantage?
- Easy access to fast-food restaurants
  - Location on the water
  - The unique height of the hotel
  - The hotel's target market
88. Your company is marketing a new chocolate bar. Which touchpoint do you think would be most important for your brand?
- Packaging
  - Taste
  - Online advertising
  - Email campaign
89. What type of service might a resort provide for its leisure guests?
- Catering
  - Airline
  - Limited
  - Child care
90. A large company that owns a chain of economy hotels recently developed plans to start a chain of upscale hotels. This is an example of
- property management systems.
  - market potential.
  - multicorporate franchising.
  - product extensions.
91. To inspect and evaluate the available colors and quality of a vendor's table linens firsthand, a resort's purchasing manager might ask the vendor to provide
- product warranties.
  - customer testimonials.
  - fabric samples.
  - substitute products.
92. Which of the following is the least important consideration for a buyer when selecting a vendor:
- Type of services offered by vendor
  - Location of vendor
  - Terms of sale offered by vendor
  - Number of vendor's employees

93. Which of the following is a promotional technique that hotels and motels might use to attract airline travelers:
- A. Outdoor advertising
  - B. Open house
  - C. Window display
  - D. Sweepstakes program
94. Which of the following is a visualization tool that involves observing product flow throughout the organization to determine waste and inefficiencies:
- A. 80/20 rule
  - B. Value stream mapping
  - C. Fishbone diagram
  - D. Reverse audit
95. Which of the following is a form of technology used to manage business risk in relation to online security:
- A. Site maps
  - B. Frames
  - C. Meta tags
  - D. Firewalls
96. The X Brand Company is unable to find an outside firm that will insure against a particular risk that is somewhat common in X Brand's industry. What would be the best alternative method to insure against this risk?
- A. Set up group insurance
  - B. Employ captive insurance
  - C. Offer no insurance
  - D. Change industries
97. Ms. Woo is staying at a hotel that is across the street from the office of the client with whom she plans to meet. Which of the following factors most likely motivated Ms. Woo to select the hotel:
- A. Desire for safety
  - B. Need for relaxation
  - C. Desire for convenience
  - D. Need for prestige
98. A front-desk employee telling a guest about the hotel's new casual restaurant and expanded room-service menu is an example of
- A. describing local opportunities.
  - B. explaining complimentary offers.
  - C. recommending hospitality services.
  - D. promoting recreational activities.
99. What do many hotel chains sell that provides the buyers or users with flexibility to make reservations at their convenience?
- A. Keyless cards
  - B. Reward points
  - C. Contest passes
  - D. Gift certificates
100. A hotel restaurant is offering lobster dinners for a special price of \$22.99 for one week only. If a table of four orders the dinners and two customers have coupons for a 15% discount on their dinners, calculate the total cost for the table.
- A. \$87.26
  - B. \$78.16
  - C. \$85.06
  - D. \$91.96



**KEY**

Test Number 1199

# Hospitality and Tourism Exam

Hotel and Lodging Event

Restaurant and Food Service Management Event

Travel and Tourism Event

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1. D

Partnership. John should consider a partnership. A partnership is a form of business ownership in which the business is owned by two or more persons who combine their capital and capabilities. The business is relatively easy to start. A corporation would benefit the owners by allowing them to have skilled personnel and greater financial power by issuing stock. However, corporations are difficult to form and operate. A sole proprietorship is a form of business ownership in which the business is owned by one person who has limited capital and limited capabilities. A monopoly is a condition in which a market is controlled by one supplier, and there are no substitute goods or services readily available.

SOURCE: BL:003

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

2. A

Full disclosure. Customers have the right to know what they are purchasing. Full disclosure means the travel agent is informing customers about all features, aspects, conditions, and prices of a product, including cancellation penalties. Maximum value is obtaining the best possible product at the lowest possible price. Truth in advertising means that ads promoting special rates should indicate clearly whether restrictions apply. Human relations refers to the relationships people have with others.

SOURCE: BL:135

SOURCE: Walker, J.R., & Walker, J.T. (2011). *Tourism concepts and practices*. (p. 315). Upper Saddle River, NJ: Prentice Hall.

3. B

Traffic. Tour-bus drivers must understand traffic laws in each jurisdiction where they travel because laws differ by jurisdiction. For example, one city might allow a vehicle to turn left onto a one-way street at a red light, while another city does not. If the driver does not understand and follow the law, the bus might be involved in an accident that injures the tourists, other vehicles, and pedestrians. Airline pilots must understand laws relating to airspace. Laws relating to shipping processes regulate the way certain products are moved or transported. Property laws regulate the ways in which land and buildings are used or maintained.

SOURCE: BL:065

SOURCE: Find Law. (2018). *State traffic laws*. Retrieved October 31, 2018, from <http://traffic.findlaw.com/traffic-tickets/state-traffic-laws.html>

4. B

Use abbreviations and symbols. Developing a system of and writing down abbreviations and symbols (i.e., shorthand) is much quicker than writing out long phrases and complete sentences. For example, to remember a very important point, Allison might place a star or asterisk by a key word, short phrase, or abbreviation. After the seminar, Allison can refer to her shorthand notes and write more comprehensive notes for future use. Writing on note cards, focusing on subtopics, and asking the speaker to provide handouts will not help Allison take accurate notes in real time.

SOURCE: CO:085

SOURCE: Fact Monster. (2018, August 7). *Taking notes*. Retrieved October 31, 2018, from <https://www.factmonster.com/homework-help/study-skills/homework-center-taking-notes>

5. C

Logical evidence. Messages usually are more persuasive if they are supported by logical evidence. Logical evidence is based on fact rather than on opinion. If businesses are writing persuasive messages to encourage customers to do something, such as buy a product, they should include logical evidence to make the message more convincing. Businesses should avoid using strong language because it may offend readers. Typeface and graphic design are visual elements of the message rather than part of the content.

SOURCE: CO:031

SOURCE: Nguyen, S. (2010, November 12). *Elements of effective persuasion*. Retrieved October 31, 2018, from <https://workplacepsychology.net/2010/11/12/elements-of-effective-persuasion/>

6. B

Progress. Progress reports provide information about the status of an action, situation, project, etc. Employees must often provide their managers with progress reports so they can keep up with and monitor the employees' work. An analytical report evaluates a problem or issue and recommends an action. A feasibility report is a type of analytical report that evaluates the viability of carrying out an activity. A proposal contains a formal suggestion or action for consideration.

SOURCE: CO:094

SOURCE: Balmaceda, K. (2018, August 21). *Progress report: How to write, structure and make it visually attractive*. Retrieved October 31, 2018, from <https://piktochart.com/blog/progress-report/>

7. B

Within a day or two. It's important for a business to respond quickly to let customers know that the business values them and the information they share. A small business should respond within a day or two. A large company with many employees should respond within a few hours.

SOURCE: CO:193

SOURCE: Trip Advisor. (2018, January 10). *12 social media strategy tips for hospitality businesses*. Retrieved October 30, 2018, from <https://www.tripadvisor.com/TripAdvisorInsights/w582>

8. C

Discounts and bargains. If the audience to whom you are writing has a lower income level than your usual audience, you might achieve success by focusing on a cost-saving message rather than one that emphasizes luxury or comfort. Using long, detailed sentences or an emotional appeal will not necessarily help you reach an audience in a lower income bracket.

SOURCE: CO:203

SOURCE: Printwand. (2013, June 24). *A guide to targeted writing for business audiences*. Retrieved October 31, 2018, from <http://www.printwand.com/blog/a-guide-to-targeted-writing-for-business-audiences>

9. C

To empower staff members to resolve customer service complaints. When hotels train their staff members on using guest recovery solutions, it gives them the confidence and the tools to resolve customer complaints effectively. The purpose of guest recovery is to resolve any dissatisfaction so that guests come back for another visit. Guest recovery solutions are actions taken to satisfy guests' needs and requests to increase customer loyalty. When customers are unhappy, explaining hotel policies is not likely to appease them. The use of guest recovery solutions is not typically related to a hotel's legal obligations and does not reduce them. A hotel's legal obligations relate to protecting a guest's privacy and safety and to fulfilling the contractual obligations of a guest's reservations.

SOURCE: CR:045

SOURCE: <https://www.hotelmanagement.net/guest-relations/successful-service-recovery-key-to-customer-retention>

10. C

Listen to the diner's concerns to determine a resolution. It's crucial for a waiter to respectfully listen to an unsatisfied diner to show concern and to determine the true cause of dissatisfaction. Explaining that a steak was properly prepared when the customer feels differently shows a lack of respect and concern. Instead of offering one solution, the staff member should work with the customer to determine what solution s/he would prefer. For example, if the diner doesn't have time to wait for a new meal, offering one is a poor solution. It is also important for a staff member to follow up with the customer to make sure s/he is satisfied with his/her experience before leaving the restaurant. If a staff member fails to handle and resolve customer complaints in a satisfactory manner, the customer is likely to never return.

SOURCE: CR:046

SOURCE: Kokemuller, N. (n.d.). *Problem solving steps in customer service*. Retrieved November 2, 2018, from <https://work.chron.com/problem-solving-steps-customer-service-20738.html>

11. B  
Knock on the door with an associate present and ask the guest to leave. It is legal to remove a guest who is staying past the reservation contract or is being disorderly. However, any interaction with a hotel guest must be done in a professional manner without intimidating or offending the guest. The hotel wants the guest to leave with a positive impression of the facility. Hotel staff should not confront guests since confrontation often escalates into bigger problems that may endanger the staff's safety. Contacting the police and locking the guest out of the room are steps that would not be taken initially.  
SOURCE: CR:047  
SOURCE: Hotel News Now. (2015, July 11). *How to effectively, legally remove a guest*. Retrieved October 30, 2018, from <http://www.hotelnewsnow.com/Articles/23189/How-to-effectively-legally-remove-a-guest>
12. C  
Return customers. When customers spend money on food, lodging, and travel, they expect an all-around positive customer experience. Poor service is one of the most common reasons that an individual does not return to a hospitality/tourism business. Return customers provide a significant amount of revenue for a hospitality business, so it is important to exceed customer expectations when it comes to service. The success of a hospitality/tourism business does not necessarily rely on high-end products, smart sales strategies, or networking efforts.  
SOURCE: CR:049  
SOURCE: Reynolds, J.S. & Chase, D. (2014). *Hospitality services* (3rd ed.) [p. 22]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.
13. B  
Showing concern for customers' lengthy wait. A moment of truth in customer service is an interaction during which a customer can form a lasting impression of your company. One way that employees can create positive moments of truth is to demonstrate empathy and concern when customers are experiencing frustration. Customers who feel that the company cares about them will be more likely to form a positive impression. A customer-satisfaction survey will not necessarily create a positive moment of truth. Following a script when talking to customers can make the customer feel unimportant and unheard. Finally, aggressively upselling to customers does not necessarily create a positive moment of truth; rather, pushing costlier sales can create a negative impression.  
SOURCE: CR:055  
SOURCE: Change Factory. (2014). *Moments of truth in hospitality*. Retrieved October 31, 2018, from <https://www.changefactory.com.au/industry/hospitality/moments-truth/>
14. B  
A primary goal of CRM is to maximize the long-term value of customer relationships. Customer relationship management (CRM) involves the use of strategies, processes, technology, and people to build, maintain, and maximize the long-term value of customer relationships. Although one aspect of effective CRM is providing excellent customer service, customer service is not the only factor that affects a customer's loyalty to a business. A business can provide excellent customer service without having a formal CRM program in place. Other aspects that affect CRM include the business's organizational culture. It is important that employees adopt the business's customer-relationship philosophy to facilitate positive relationships with customers. Price is one factor that may affect the long-term buyer/seller relationship, but is not the most important factor to all customers. Customers also consider factors such as convenience and product quality.  
SOURCE: CR:016  
SOURCE: LAP-CR-016—Know When To Hold 'Em (Nature of Customer Relationship Management)

15. A

Verify the purchaser's identity via phone. It is a good idea to be cautious with first-time customers to ensure that they are not using fraudulent credit cards. One way to verify that the purchaser's identity aligns with their credit card is to call via phone and confirm that the person whose name is on the card made the purchase. Learning about the company's credit card policy would not necessarily help Iliana in this instance; she should have already learned about the company's policy. It is not feasible that Iliana is authorized to run a background check on the purchaser. Finally, it is not realistic to suggest that a hotel could refrain from working with third-party booking agents because they are an important revenue source.

SOURCE: CR:040

SOURCE: SiteMinder. (2018, April 24). *How hotels can prevent online credit card fraud*. Retrieved October 30, 2018, from <https://www.siteminder.com/r/technology/hotel-data-security/hotels-prevent-online-credit-card-fraud/>

16. A

Identity theft. Identity theft is the fraudulent acquisition and use of a person's private identifying information (e.g., name, Social Security number), usually for financial gain. Businesses such as Girard's Gourmet Foods can implement internal controls to prevent identity theft of customer information. One example is to require frequent password changes to guard against hacking. Changing passwords used to access customer data does not necessarily guard against competitive advantage, patent violation, or negative reviews in this instance.

SOURCE: CR:041

SOURCE: Moran, G. (2018, March 28). *6 steps to protect your business from ID theft*. Retrieved October 31, 2018, from <https://www.creditcards.com/credit-card-news/6-steps-protect-small-business-id-theft-1269.php>

17. C

Receipt of cash. When a business receives payment from a customer, it records the amount of payment as a receipt of cash. As customers pay, the business's cash increases. The increase in cash also increases the assets of the business. When a business processes a customer's payment, it does not record the payment as a debit transaction, a type of sale, or a financial expense.

SOURCE: CR:042

SOURCE: Accounting-Simplified.com. (2010-2017). *Cash transactions*. Retrieved October 31, 2018, from <https://accounting-simplified.com/accounting-for-cash-transactions.html>

18. D

Reply to the post promptly with an apology and a promise to improve. When customers complain about a brand on social media, it is important to address them, as ignoring them makes it appear that the company does not care about its customers. After a customer has posted about a less-than-satisfactory experience, Hailey should try to appease that customer to repair the relationship and show that the restaurant is improving upon its flaws. Ignoring the post, denying the customer's complaint, or flagging the post as inappropriate will not improve relationships with customers and will make the restaurant appear unsympathetic and/or dishonest.

SOURCE: CR:028

SOURCE: Newman, D. (2016, January 12). *Social media is no longer a marketing channel, it's a customer experience channel*. Retrieved October 31, 2018, from <http://www.forbes.com/sites/danielnewman/2016/01/12/social-media-is-no-longer-a-marketing-channel-its-a-customer-experience-channel/#39d92dd64967>

19. B

Shopping. Shopping goods are consumer goods that are purchased by consumers after comparing goods and stores in order to get the best quality, price, and/or service. Consumers tend to pay more for shopping goods than for convenience goods, and they usually want the advice of a salesperson. Convenience goods, such as milk and bread, generally are purchased quickly and without much thought or effort. Industrial goods are items purchased by producers for resale, to make other goods, and/or to use in business operations. Specialty goods have unique characteristics that consumers are willing to pay higher prices to buy them.

SOURCE: EC:002

SOURCE: LAP-EC-010—Get the Goods on Goods and Services (Economic Goods and Services)

20. A

Purchasing. Molly works in purchasing, the part of operations that ensures the business will have the goods and services needed to keep production going and business running smoothly. Financial analysis refers to obtaining necessary funds and keeping accurate and complete financial records. Marketing involves everything related to fulfilling customers' product needs. Human resources management involves all the tasks and issues related to keeping the business staffed.

SOURCE: EC:071

SOURCE: LAP-EC-071—Strictly Business (Business Activities)

21. B

It may have different consequences than breaching ethics. Breaching business ethics and breaking the law may have different consequences. For example, breaching business ethics alone could result in loss of customers, while breaking the law could result in fines or jail time. Both breaching business ethics and breaking the law are unacceptable practices in most industries, are not necessary for business success, and will not make a company more popular. In fact, doing so will hurt a company's public image.

SOURCE: EC:106

SOURCE: LAP-EC-106—On the Up and Up (Business Ethics)

22. D

Consumer spending. When community members have jobs, they have money to spend, which helps fuel the local economy. Providing jobs does not stimulate local inflation or credit ratings. The government sets the tax rate.

SOURCE: EC:136

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [p. 6]. Tinley Park, IL: The Goodheart-Willcox Co.

23. A

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

SOURCE: EC:008

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

24. B

Contraction. Free-enterprise economic systems experience changes in business cycles. Business cycles are the periods of expansion and contraction in economic activities. Characteristics of the expansion stage of the business cycle include: increases in spending and borrowing, increases in the demand for products, decreases in unemployment rates, and decreases in loan interest rates. During the contraction stage of the business cycle, product demand and consumer spending decrease, while unemployment and loan interest rates increase. Containment and emergence are not terms commonly used to describe the stages of the business cycle.

SOURCE: EC:081

SOURCE: Investopedia. (2018, February 21). *Contraction*. Retrieved October 31, 2018, from <http://www.investopedia.com/terms/c/contraction.asp>

25. D

Analyze what happened. Try to analyze what happened and determine what damaged your self-esteem. When you have done that, try to figure out how to handle things differently next time. Forgetting about it won't help you avoid having the same thing happen again. Blaming someone else won't help, and wishing won't undo what has been done.

SOURCE: EI:016

SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (pp. 127-129). Columbus, OH: McGraw-Hill Education.

26. B  
Likelihood. Probability refers to the likelihood of an event occurring or not. Severity and magnitude both refer to the size of a risk. Cost refers to what will be lost.  
SOURCE: EI:091  
SOURCE: LAP-EI-091—Worth the Risk (Assessing Risks of Personal Decisions)
27. A  
Respect. Ethical people always honor the rights, freedoms, views, and property of others. This means not taking things that don't belong to you. Transparency means being truthful when you communicate. People who are accountable for their actions accept responsibility for all their decisions. Being trustworthy means doing what you say you will do and telling the truth. While these are all important ethical principles, they are not illustrated in Tori's example.  
SOURCE: EI:125  
SOURCE: LAP-EI-125—Make the Right Choice (Recognizing and Responding to Ethical Dilemmas)
28. B  
Doing advance preparation. The first step in the process of idea selling is doing some advance preparation. Before you can sell an idea to others, you must know the details and specifications of the idea. When you are an expert on your proposal and its benefits, you can approach your audience with confidence—ready to explain and defend your idea. Overcoming audience objections, explaining solutions to needs, and appealing to audience's needs are all steps in the selling process that come after doing advance preparation.  
SOURCE: EI:108  
SOURCE: LAP-EI-108—Do They Buy It? ("Selling" Ideas to Others)
29. D  
Humble. Humble individuals, like Coach Chris, are willing to recognize that they don't know everything and are also willing to admit their mistakes. Virtually all effective coaches are humble. A humble attitude earns the respect and trust of those being coached. Although most good coaches are also enthusiastic, patient, and dependable, not enough information is provided to determine if Coach Chris possesses those character traits.  
SOURCE: EI:041  
SOURCE: LAP-EI-041—Bring Out the Best (Coaching Others)
30. D  
Interest rate. Interest is the amount charged by a lender to a borrower in exchange for a loan. Interest rates are expressed as percentages of the principal—the original loan amount. In this situation, 6.9% represents Margaret's interest rate on her personal loan. It does not express the present value of her loan. Inflation rate refers to the rate at which the level of prices for goods and services is rising. Inflation rates are not expressed in this example. Compound value is not a term used to describe loan information.  
SOURCE: FI:062  
SOURCE: Investopedia. (2018, June 3). *Inflation*. Retrieved October 31, 2018, from <http://www.investopedia.com/terms/i/inflation.asp?lgl=no-infinite>
31. A  
Finance charge. Finance charges are interest charges on accounts that are not paid in full at the end of each payment period. They are usually a percentage of the total amount due. Annual fees are yearly fees charged for the privilege of using a bank credit card. Interest rates are fees the lender charges the borrower for the use of money. Installment payments are set amounts paid by specific times to repay an installment loan or to pay for an installment credit purchase.  
SOURCE: FI:002  
SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

32. D

An itemized deduction. The government allows taxpayers to itemize or list certain expenses on their tax returns to reduce the amount of taxable income. These expenses include charitable donations, a percentage of medical expenses, business expenses, and interest paid on some types of loans. Investment earnings, such as dividend payments, are taxable income. The federal government does not tax certain types of investments, such as municipal bonds.

SOURCE: FI:074

SOURCE: IRS. (2018, January 31). *Topic number 456: Student loan interest deduction*. Retrieved October 31, 2018, from <https://www.irs.gov/taxtopics/tc456>

33. B

Reduce expenses. Switching to a different Internet provider to save money on a monthly bill is a way to reduce expenses. Managers often use financial information to determine ways to reduce expenses. Saving money on the Internet bill is not the same as increasing sales, creating a budget, or planning business expansion.

SOURCE: FI:579

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

34. D

Current financial situation. A balance sheet is a financial statement that captures the financial condition of the business at that particular moment. It indicates what the business owns, what it owes, and its worth as of a certain date. By preparing a balance sheet, a business can determine if it has sufficient assets to cover its liabilities and still have money remaining, or if its liabilities are more than its assets. A business does not prepare a balance sheet to determine its average cash flow, estimated annual income, or future sales goal.

SOURCE: FI:093

SOURCE: LAP-FI-010—The Right Balance (The Nature of Balance Sheets)

35. D

Give receipts to all customers. Most businesses use a variety of procedures to control cash. One of these is to train employees how to use the cash register and require that they ring up each sale on the register and give receipts to all customers. When an employee rings up a sale, the register automatically records the sale and prints a customer receipt. This procedure helps control cash because it reduces the possibility of employees accepting payment from customers without recording the sale and issuing a receipt. Monitoring intangible assets, tracking dividends paid to owners, and evaluating projected budgets are not internal procedures that many businesses use to control cash.

SOURCE: FI:113

SOURCE: Sullivan, D. (2016, October 26). *Internal control procedures for the receipt of cash*. Retrieved October 31, 2018, from <https://work.chron.com/internal-control-procedures-receipt-cash-6735.html>

36. C

As short as possible. The cash conversion cycle should be as short as possible so financial managers have more free cash to work with. A downward trend in the cycle is a positive sign, while an upward trend is a negative one. A downward trend is preferred to equilibrium. Many investors pay close attention to a company's cash conversion cycle.

SOURCE: FI:354

SOURCE: LAP-FI-007—Money Matters (Role of Finance)

37. D

A hold is placed on a portion of the card's available credit line when the guest checks in. An authorization check policy is made when the guest arrives to ensure that there are sufficient funds available on the card to cover all lodging expenses related to the reservation. A credit card is not actually charged until a guest checks out to ensure that the guest's appropriate room rate is charged as well as any other hotel charges the guest made during his/her stay.

SOURCE: FI:789

SOURCE: UniBul's Money Blog. (2018). *How to process credit card payments at hotels*. Retrieved October 30, 2018, from <http://blog.unibulmerchantservices.com/how-to-process-credit-card-payments-at-hotels/>

38. C

Orientation program. The purpose of an orientation program is to introduce new employees to the business and help them understand their roles in the organization. Activities such as introducing new employees to their coworkers, reviewing company policies, and giving a tour of the business facility are ways in which a business can help the new hires feel welcome and more comfortable with their work environment. These activities are not components of simulation training, evaluation systems (e.g., to measure employee performance), or the employee-selection process.

SOURCE: HR:360

SOURCE: Brown, J. (2018, May 20). *Employee orientation: Keeping new employees on board*. Retrieved October 31, 2018, from <https://www.thebalancecareers.com/employee-orientation-keeping-new-employees-on-board-1919035>

39. B

Tie employees' rewards to the organization's goals. A main reason why employees are not engaged at work is because they do not feel personally invested in the company's success. They do not feel that they receive any benefit from working toward the organization's goals. Therefore, managers should align employees' rewards, such as bonuses or raises, with the company's goals. Being overly critical can damage employee engagement, but constructive criticism can make employees more committed and engaged. Socializing with coworkers outside of work is not necessarily related to employee engagement with organizational goals. Finally, while team-building can boost engagement, it is not enough to have an event only once a year. Management should focus on employee engagement year-round.

SOURCE: HR:513

SOURCE: Heathfield, S.M. (2018, October 29). *Create a work environment that encourages employee engagement*. Retrieved October 30, 2018, from <https://www.thebalancecareers.com/create-work-environment-for-employee-engagement-1917575>

40. D

Joe does not hire women to be drivers because he believes they are more accident-prone. A stereotype is a generalized, set assumption about a person or thing. Joe is stereotyping women because he believes that all women are more accident-prone than all men. He is allowing this stereotype to prevent him from hiring a diverse workforce. Collaborating only with personal friends is not related to workplace diversity. It is inappropriate for Ronnie to delegate the easiest tasks to Heidi in hopes of going on a date with her; however, it is not related to a stereotype that could prevent workplace diversity. Finally, Larissa is being prejudiced against people who are from different countries, but she is not necessarily acting in accordance with a specific stereotype.

SOURCE: HR:515

SOURCE: Dawn, M. (2016, July 14). *Barriers to diversity in the workplace*. Retrieved October 31, 2018, from <https://woman.thenest.com/barriers-diversity-workplace-13721.html>

41. C

Trade association. Secondary information is information that has already been collected by others. A trade association is a group of persons in the same industry (e.g., hospitality) or geographic area who form a society to solve their common problems. Trade associations often gather marketing information about their industries, so they are a good source for obtaining secondary information about industry trends. A sampling plan is an outline or document that describes the process of choosing a representative group of consumers to survey. Guest comment cards and telephone interviews are sources of primary information, which is new information collected for a specific purpose.

SOURCE: NF:281

SOURCE: Kotler, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [p. 128]. Boston, MA: Pearson Education, Inc.

42. D  
Primary. Primary information is information collected for the purpose at hand. Because the inn collected feedback for a specific purpose—to obtain its guests' opinions about its accommodations and amenities—the feedback on the suggestion cards is primary information. Secondary information is information that has been collected for other purposes. Linear and complementary are not types of marketing information.  
SOURCE: NF:282  
SOURCE: Kotler, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 128-140]. Boston, MA: Pearson Education, Inc.
43. D  
Industry trends. Blogs are great sources of up-to-date news, anecdotal information, and tips from professionals in particular industries. Hospitality and tourism blogs can include information on trends that would be useful for those in the industry. However, client information is much more likely to be found in a company's internal database rather than a blog. Competitive analysis and market segmentation are more likely to be found in online databases or hospitality industry reports than in blogs.  
SOURCE: NF:286  
SOURCE: Criddle, G. (2012, June 22). *5 hospitality blogs every hotelier should be reading*. Retrieved October 31, 2018, from <http://www.e-marketingassociates.com/5-hospitality-blogs-every-hotelier-should-be-reading/>
44. A  
Push technology. Marketers can keep up with environmental changes by scanning information that is automatically delivered to their computer by push technology. This helps marketers identify trends in their early stages of development. LexisNexis is an example of a company that scans information, finds relevant information, and forwards it to subscribers so that they can review and interpret the information at their convenience. Model building involves identifying relationships between variables. Customer discovery is a data-mining application that enables researchers to determine who will make a valuable customer. Market-basket analysis is another data-mining technique used to identify relationships between product purchases and retail shopping information.  
SOURCE: NF:287  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 168-173]. Mason, OH: South-Western Cengage Learning.
45. A  
Sales history. By reviewing previous years' sales reports, a resort can detect patterns in the sales, which are tied to the resort's occupancy rates. If a pattern emerges, such as an increase in sales between May and July over several years, the resort can determine its busiest time of the year—its peak season. Determining the peak season helps the resort plan (e.g., staffing) the upcoming year. The current occupancy rate will not help the resort determine its peak season unless it is compared to previous sales in the same time frame. Staff reviews are employee performance evaluations. Standards are specifications or statements that are used as a basis for comparing or judging goods or services. Staff reviews and standards are not reliable sources of information that resorts use to determine the resort's peak season.  
SOURCE: NF:288  
SOURCE: Love, M. (2017, June 6). *Understand your sales trends to drive business success*. Retrieved October 31, 2018, from <https://www.linkedin.com/pulse/understanding-your-sales-trends-drive-business-success-mathew-love/>
46. C  
Marketing-information management. Gathering information through surveys is an example of the marketing-information management function. Specialty advertising is categorized as "other media" such as pens and calendars embossed with a company's name. Behavioral segmentation is the division of a market on the basis of customers' responses to a product. Promotion communicates information about goods, services, images, and/or ideas to achieve a desired outcome.  
SOURCE: MK:002  
SOURCE: LAP-MK-001—Work the Big Seven (Marketing Functions)

47. B  
Service marketing. Services are intangible products that other people perform. In the example, the hotel's shuttle-bus driver is performing the service of transporting guests from one location to another. The situation provided is not an example of process marketing, a tangible product, or a luxury product.  
SOURCE: MK:008  
SOURCE: Reynolds, J.S., & Chase, D. (2014). *Hospitality services* (3rd ed.) [p. 384]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.
48. B  
Psychographic. Psychographic segmentation is based on the lifestyles and personalities of customers. Because Alex demonstrated an interest in a travel show, marketers can deduce that traveling is a part of his lifestyle. Thus, Alex would be an appropriate market for a tropical resort. Behavioral segmentation occurs when customers are grouped based on what they are looking for in a product and why they buy the product. Demographic segmentation divides the market on the basis of physical and social characteristics. Geographic segmentation groups customers based on where they are located.  
SOURCE: MP:003  
SOURCE: LAP-MP-003—Have We Met? (Market Identification)
49. B  
Save time and money. Appropriate information management has many benefits for a business, including saving time and money by making operations run more smoothly. Appropriate information management should make decisions easier and should reduce a business's risk of undergoing an unnecessary audit. Appropriate information management may or may not create more jobs.  
SOURCE: NF:110  
SOURCE: LAP-NF-110—In the Know (Nature of Information Management)
50. D  
Improved materials and methods. Improved materials and methods, such as plastics and textiles, have made manufacturing processes more efficient over time. Satellites combined with software, cell phones, and the Internet do not affect manufacturing processes.  
SOURCE: NF:003  
SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)
51. D  
Transaction processing system. This is a computerized information system that processes daily, routine business transactions at the operational level of companies. Knowledge work systems aid knowledge workers in the creation and integration of new knowledge into companies. Their purpose is to improve worker productivity. Decision support systems aid managers in making decisions that are unique and rapidly changing. Executive support systems are reporting tools that enable managers to turn a company's data into useful reports.  
SOURCE: NF:083  
SOURCE: Techopedia. (2018). *Transaction process system (TPS)*. Retrieved October 31, 2018, from <http://www.techopedia.com/definition/707/transaction-process-system-tps>
52. D  
Make an informed buying decision. The Internet has revolutionized the ways in which business is conducted. The Internet provides customers with the ability to obtain product information in a variety of ways—from business websites, blogs, newsfeeds, and consumer information websites. In the example, William is doing research to find out how other users like different smartphones before he makes a decision about the one that he wants to buy. William will likely visit various smartphone e-tailers to get product specifications and pricing before making his decision. Although phone plans are often a factor when making a mobile-phone purchasing decision, there is not enough information provided to determine whether phone plans will affect William's buying decision. William hasn't purchased his smartphone yet, so he can't reaffirm his recent purchase.  
SOURCE: NF:086  
SOURCE: Business Filings. (2012, May 24). *Use the internet to effectively market your business*. Retrieved October 31, 2018, from <https://www.bizfilings.com/toolkit/research-topics/marketing/digital-marketing/use-the-internet-to-effectively-market-your-business>

53. C  
Online booking. Many hospitality and tourism businesses offer websites that enable customers to conveniently book their reservations online. This gives customers 24-hour access to reservation systems when it's convenient for them to quickly make a reservation. Customer reservation systems are used by travel agents. Customer relationship management software is databases of customer information. Websites by themselves would not expedite the reservation process for customers.  
SOURCE: NF:106  
SOURCE: FinancesOnline. (2018, January 3). *What is online booking software? A comprehensive guide to benefits, features, pricing and more*. Retrieved October 31, 2018, from <https://financesonline.com/online-booking-software-comprehensive-guide-benefits-features-pricing/>
54. A  
Frequent the restaurant at least three times per month and spend an average of at least \$50 on a bottle of wine. A database can be defined as computerized storage for information and facts. A restaurant database would contain customer information such as when (date and time) a particular customer visits the restaurant, what the customer orders, how much the customer's total bill is, the amount of the tip left for the waitstaff, and special requests and/or food allergies that the customer has. To identify loyal, high-spending customers who would be interested in a wine tasting event, the manager should identify customers who frequent the restaurant at least three times per month (not per quarter) and spend an average of at least \$50 on a bottle of wine. Customers who come that often and regularly spend that much money on a bottle of wine are likely to be interested in a wine-tasting event. Fifteen-percent tips are fairly common.  
SOURCE: NF:185  
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [p. 474]. Upper Saddle River, NJ: Prentice Hall.
55. A  
Avoid hazards. Vanessa is applying the good-record-keeping tip of "avoid hazards" by putting procedures into practice to keep her records from being lost in an office fire. She is not practicing the tips of "use a system" or "pick a style." "Prevent errors" is not a good-record-keeping tip—although it is a good practice in any business task.  
SOURCE: NF:001  
SOURCE: LAP-NF-001—Record It (Business Records)
56. C  
Unemployment rate. An environmental scan is an analysis of external forces that influence a business's success. The fluctuation of unemployment rates is an economic factor because unemployment has an effect on consumers' ability to buy goods and services. If consumers are unemployed, they do not have income to spend. As a result, businesses do not sell as much because consumers are not buying. When this situation occurs, businesses often reduce expenses in an attempt to stay in business until the rate of employment starts to rise again. Increased regulation is a political factor. Population shift is a demographic factor. Lifestyle adjustment is a cultural factor.  
SOURCE: NF:015  
SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)
57. C  
Visitor. Visitor trends are studied so that the property can predict the number of upcoming reservations and bookings it is likely to receive based on such things as people's ages, incomes, marital status, and travel habits. Competitive trends identify the directions that other properties are moving, including their price adjustments, renovation plans, levels of service, and so forth. Trends in technology provide information about how computers, the Internet, and new equipment are likely to change the way in which properties operate. Industry trends give an idea as to the impact that other businesses are likely to have on the property, especially those (e.g., airlines, convention centers, and highway departments) in which the property depends upon for their success.  
SOURCE: NF:048  
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [p. 544]. Upper Saddle River, NJ: Prentice Hall.

58. B

For travelers to check flights on any major air carrier in the world. Today's computer reservation systems allow travelers to check the availability of flights on any major air carrier in the world. Technological advances have not decreased the number of frequent flyer miles earned by passengers. Consumers must still pay taxes on airline tickets. Technological advances have not increased the number of travel agents in the industry.

SOURCE: NF:060

SOURCE: Reynolds, J.S., & Chase, D. (2014). *Hospitality services* (3rd ed.) [p. 51]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.

59. B

Owners and managers. The overall responsibility for maintaining business ethics lies with owners and managers, although employees should also be accountable for acting ethically in their day-to-day tasks. Suppliers and customers are not responsible for the integrity of a business.

SOURCE: OP:190

SOURCE: LAP-OP-190—Above Board (Ethics in Operations)

60. C

Employees should always be thinking about safety. Employees should be concerned for their own safety as well as the safety of others at all times. Thinking about safety does not distract employees from their jobs—it enables them to perform jobs in a safe manner that reduces risk to themselves and the business. Taking shortcuts when learning a new skill can cause a safety hazard. Instructions and guidelines for employees may be verbal as well as written.

SOURCE: OP:007

SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (pp. 142-143). Columbus, OH: McGraw-Hill Education.

61. A

Develops an innovative product. Businesses should legally protect their intellectual property from unauthorized use by others. Businesses and inventors obtain patents to legally protect their inventions from unauthorized use for a limited amount of time. Trademarks protect unique symbols, designs (e.g., logo), or words that businesses use to identify their brands. Copyrights provide legal protection for written (e.g., articles), musical, and artistic works. Things such as recipes and customer lists are protected under trade-secret laws.

SOURCE: OP:153

SOURCE: United States Patent and Trademark Office. (2015, October). *Patents*. Retrieved October 31, 2018, from <https://www.uspto.gov/patents-getting-started/general-information-concerning-patents#heading-2>

62. C

Order of their importance. Prioritizing involves ranking things in the order of their relative importance. Individuals evaluate many factors when prioritizing their work, including due dates and the time that it will take to complete a task. Categorizing tasks in alphabetical or numerical order are not effective ways to prioritize tasks. Sometimes, the most difficult or unpleasant tasks are the most important to complete; therefore, prioritizing work in relation to the level of enjoyment you have while performing the task is not an effective method to use to set priorities.

SOURCE: OP:228

SOURCE: MacKay, J. (2018, July 17). *The "everything is important" paradox: 7 practical methods for how to prioritize work*. Retrieved October 31, 2018, from <https://blog.rescuetime.com/how-to-prioritize/>

63. D

Communication. Communication skills are an important part of teamwork. Without communication, Mikey and Alana are not able to coordinate their workload efficiently. There is no evidence in this situation that more classroom instruction, time, or money would help their teamwork.

SOURCE: OP:230

SOURCE: Kinsey, A. (2018, June 30). *Importance of team communication skills*. Retrieved October 31, 2018, from <http://smallbusiness.chron.com/importance-team-communication-skills-3079.html>

64. D

Clearly communicate all timelines and deadlines. When delegating work, it is important for managers to clearly communicate to employees all timelines and deadlines that they are expected to meet. Managers should not give employees complete freedom and authority when delegating work or employees may miss important deadlines; however, micromanaging should also be avoided. Managers should not expect that employee work will be below expectations—instead, they should guide employees and provide the resources that they need to successfully complete their assignments.

SOURCE: OP:354

SOURCE: MindTools. (2018). *Successful delegation*. Retrieved November 26, 2018, from [https://www.mindtools.com/pages/article/newLDR\\_98.htm](https://www.mindtools.com/pages/article/newLDR_98.htm)

65. D

Get input from employees above and below you. When streamlining work processes, it's important to get input from everyone involved. If you attempt to create a new plan yourself, you may not know important information about how other employees do their work. The work process should be broken down into small steps, not looked at as a big picture. Streamlining typically involves eliminating steps, not adding them.

SOURCE: OP:355

SOURCE: Leonard, K. (2017, September 11). *How to streamline work process and improve workflow*. Retrieved October 31, 2018, from <http://smallbusiness.chron.com/streamline-work-process-improve-work-flow-3929.html>

66. D

Communications plan. The purpose of the communications plan is to help the project manager ensure that information about the project is communicated to all of the project's key participants—the client, team members, suppliers, and other key internal and external stakeholders. The risk-management plan outlines potential risks associated with the project and provides guidance for minimizing and handling the risks. A contingency plan outlines an alternative course of action when the project team is unable to carry out the original plan. The change-management plan helps project managers manage how they handle major changes to the project.

SOURCE: OP:001

SOURCE: LAP-OP-001—Chart Your Course (Developing a Project Plan)

67. B

Alan placed a large order on March 10 for a new video game that is to be released on June 1. An advance order is a regular order that is placed now with delivery requested at a future time (e.g., weeks, months). Because the item is new, Alan wants to make sure that he orders enough games to meet the anticipated demand upon its release date. Katherine placed a reorder, which is ordering items that have been previously ordered. Fred placed a special order, which is a request for a custom item that a vendor does not normally carry in stock. Lindsey placed a blanket order. A blanket order is an order that covers all or part of a retailer's seasonal requirements. Blanket orders typically are placed several months before the season and do not contain detailed specifications or shipping dates.

SOURCE: OP:250

SOURCE: Investopedia. (2018, July 6). *Advance payment*. Retrieved October 31, 2018, from <https://www.investopedia.com/terms/a/advance-payment.asp>

68. D

He is being reactive instead of proactive in his quality-control practices. Being proactive means anticipating and preventing problems *before* they arise, rather than waiting for problems to surface and handling them afterwards. As a quality-control specialist, it is Jackson's job to ensure that every room in his hotel is satisfactory and up to guest standards. He should inspect each hotel room periodically, rather than wait until he receives a complaint. The question does not provide enough information to conclude that Jackson is failing to communicate with his staff, to inspect dirty rooms thoroughly enough, or to trust his staff to perform their jobs well.

SOURCE: OP:164

SOURCE: DePaolis, M. (2017, January 27). *How to reduce rework: A proactive construction quality control plan*. Retrieved October 31, 2018, from <https://connect.bim360.autodesk.com/proactive-construction-quality-control-plan>

69. A  
Save money. Repairing or replacing damaged equipment is expensive. Employees who handle company property correctly so it lasts longer and needs less repair often help the business save money on maintenance costs. Maintaining equipment in good condition is one way that employees can help businesses control expenses. Correctly handling company property usually increases output. Businesses do not reduce prices because their property needs less repair. Correctly handling company property does not stop theft.  
SOURCE: OP:025  
SOURCE: LAP-OP-025—Buck Busters (Employee Role in Expense Control)
70. A  
By denying access to the property. Small properties use technology to keep out people who do not have keycards. The front-desk employees can use technology to override that system if they choose to do so. However, for security's sake, the employees can deny access to the building. Observing escalators and elevators and denying access to stairwells would be security issues for people already inside the property. The front-office employees would monitor activity at the front of the property rather than in the pool area if they were focused on keeping people out of the lobby and reception areas.  
SOURCE: OP:058  
SOURCE: Lang, L. (2017, January 25). *9 ways to help boost hotel security for guests and employees*. Retrieved October 31, 2018, from <https://www.cintas.com/ready/healthy-safety/9-ways-to-help-boost-hotel-security-for-guests-and-employees/>
71. C  
Offering the guest a list of nearby medical providers or phoning for necessary help. If it's possible to let a guest choose his/her own course of care, provide the guest with a list of nearby doctors, dentists, hospitals, and/or other medical facilities. If a guest is unable to handle this task, management should call for needed services. Guests expect property managers to respond to medical emergencies. Not aiding a guest in distress is unethical and could result in lawsuits. Management should be focused, first and foremost, on getting the guest the help s/he needs, not on other guests' impressions. In its initial response, management should not lose valuable time trying to find out who, if anyone, may have played a hand in creating the problem (such as a custodian who failed to leave a "wet floor" sign, resulting in a guest's fall). That concern should be secondary to the guest's safety and can be dealt with later.  
SOURCE: OP:119  
SOURCE: Hospitality School. (n.d.). *How to handle emergency situations*. Retrieved October 31, 2018, from <https://www.hospitality-school.com/how-handle-emergency-situation-hotel/>
72. A  
Unauthorized individuals found on the scene. The presence of unauthorized people is a threat to the security of patrons, employees, and to the hospitality and tourism business. Individuals responsible for security will need to quickly determine the reason that the unauthorized people are present. Spilled water and a choking patron are safety threats. A phone call about an item in lost and found is not a safety or security issue.  
SOURCE: OP:115  
SOURCE: Reynolds, J.S., & Chase, D. (2014). *Hospitality services* (3rd ed.) [pp. 234-235]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.
73. C  
It sends a positive message about you to others. How you look and how you take care of yourself affect your self-esteem, which in turn can increase your job performance. By acting and looking like a professional who is serious about his/her job, you can set yourself apart from your coworkers in a positive manner. Dressing well shows your superiors that you are serious about your job, which may help you get promoted. Dressing well, however, does not guarantee you will be promoted, particularly if your job performance is not superior. Showing off a personal fashion sense or trying to show a high financial status do not necessarily help you succeed at work.  
SOURCE: PD:002  
SOURCE: LAP-PD-002—Brand Me (Personal Appearance)

74. D  
Use the 24 hours in their day. Time management refers to how people use the 24 hours in their day to effectively accomplish goals. Organizing belongings, using calendars, and keeping time logs are all things people might do to manage their time, but they are not definitions of time management.  
SOURCE: PD:019  
SOURCE: LAP-PD-001—About Time (Time Management)
75. C  
Buying an existing business. Entrepreneurial opportunities typically involve establishing or purchasing ownership of a business enterprise. Entrepreneurs usually don't work for someone else as a store manager, human resources manager, etc., although doing so may help prepare an individual for success as an entrepreneur. Entrepreneurs may produce custom-made products, but purchasing such a product is not an example of an entrepreneurial opportunity.  
SOURCE: PD:066  
SOURCE: Littrell, J.J., Lorenz, J.H., & Smith, H.T. (2012). *School to career* (9th ed.) [pp. 444-445]. Tinley Park, IL: The Goodheart-Willcox Company.
76. A  
Traits such as initiative and commitment. A trait is a personal characteristic expressed by a regular pattern of behavior that becomes a part of you over time. An internship is an arrangement in which schools and businesses cooperate to provide on-the-job training or practice for learners. Employers often feel that applicants who have participated in internship programs exhibit initiative (motivation) and commitment to carry out objectives and gain experience to help further their careers. Therefore, traits, such as initiative and commitment, are valuable to employers because they generally want to hire personnel who are committed and motivated in job-related tasks. Internships do not always provide interns with experience in financial matters. A well-rounded education and sales contacts are not personal traits.  
SOURCE: PD:032  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 876). Columbus, OH: Glencoe/McGraw-Hill.
77. C  
Network with others who have expertise in the industry. A trade association is a group of persons in the same industry or geographic area who form a society to solve their common problems. Because Lisa is a business owner, she might join a hospitality and tourism trade association to network with others who work in the hospitality and tourism industry. By networking with others who have expertise in that industry, Lisa has an opportunity to get ideas that will help her business grow. She may also get advice about how to solve problems and deal with difficult issues that occur in the industry. Although some trade associations provide certification, they are not a means to earn a college degree. A trade association might help Lisa locate financial sources, but it would not extend credit to her so she can purchase equipment. As a business owner, the primary reason Lisa should join a trade association is to discuss professional business with colleagues rather than personal issues.  
SOURCE: PD:061  
SOURCE: Hospitality Financial and Technology Professionals. (2017). *Membership benefits*. Retrieved October 31, 2018, from [https://www.hftp.org/hospitality\\_association/member\\_benefits/](https://www.hftp.org/hospitality_association/member_benefits/)
78. C  
Contain job postings. Trade journals are targeted at the people in a specific industry. They identify industry trends, recognize industry leaders, contain job postings, and provide advertisements of interest to the particular industry. The job postings can be reviewed to identify new career opportunities in the industry. Although they contain good information, trade journals cannot substitute for job training. It's unlikely that hospitality and tourism trade journals would list new patents nor recommend newspaper subscriptions.  
SOURCE: PD:273  
SOURCE: McMahan, M., & Wallace, O. (2018, September 22). *What is a trade journal?* Retrieved October 31, 2018 from <http://www.wisegEEK.com/what-is-a-trade-journal.htm>

79. D  
Understanding the rules and their purposes. It's not enough to just know what the rules are—you should also understand the *why* behind them. Ignoring the rules you don't like, following your own set of rules, and reading the rules only once will not help you remember and follow the rules.  
SOURCE: PD:251  
SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)
80. B  
Mobility. Automobiles, airplanes, roads and highway systems have made travel faster and easier and increased individuals' mobility. As a result, the demand for hospitality services has increased because more people are traveling for business and pleasure. The development and widespread use of cars and airplanes has not increased the general public's sensitivity, creativity, or stability.  
SOURCE: PD:105  
SOURCE: Cook, R.A., Yale, L.J., & Marqua, J.J. (2010). *Tourism: The business of travel* (4th ed.) [pp. 12-13]. Upper Saddle River, NJ: Prentice Hall.
81. B  
Negotiable. The hospitality industry experiences fluctuations in demand for hotel accommodations. Supply and demand fluctuations occur for many reasons. For example, seasonal factors affect how resorts price their rooms. They often charge higher prices during typical vacation times because more people are traveling and need sleeping accommodations. Room prices are also affected by the economy. When the economy is good, more people take vacations and more organizations hold off-site business meetings. This creates a higher demand, which lowers the availability of hotel rooms. When people are traveling less, there is a decrease in demand and an increase in room availability. When this occurs, guests can often negotiate lower prices for the guest rooms. The hotels are willing to negotiate so that rooms do not go unoccupied, which is a financial loss for the hotels. Hotel room prices are not consistent, classified, or imprecise as a result of changes in supply and demand.  
SOURCE: PI:029  
SOURCE: Kotler, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 297-300]. Boston, MA: Pearson Education, Inc.
82. A  
Seasonality. The prices of many hospitality and tourism products are impacted by the season in which the product is used. For example, Florida resort prices are higher from October 15th to April 15th when the weather attracts people to the warm climate. However, between April 15th and October 15th, their prices decrease because demand decreases when weather conditions become hot, humid, and rainy. Hospitality and tourism products are intangible rather than tangible. They are not fragile or elastic. In economic terms, the demand for hospitality and tourism products varies as their price increases; therefore, they're considered products with elastic demand.  
SOURCE: PI:039  
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [pp. 295-296, 309]. Boston, MA: Prentice Hall.
83. C  
Introduction. This is the stage in which the product first appears in the marketplace. The planning involved during the growth and the maturity stages relates to maintaining sales. Product planning during the decline stage is concerned with decisions relating to keeping, revising, or eliminating the product. Planners must be ready to plan price reductions or other methods to maintain sales or take steps to eliminate the product.  
SOURCE: PM:001  
SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

84. D  
Standards. Standards are specifications or statements that are used as a basis for comparing or judging goods or services. The most common types of product standards include quantity standards, quality standards, time standards, and cost standards. Grades are ratings assigned to products that tell to what extent standards were met. The company is not setting sales standards. Costs are just one common type of product standard.  
SOURCE: PM:019  
SOURCE: LAP-PM-008—Raise the Bar (Grades and Standards)
85. D  
Position. Brand position is the way consumers see the brand as compared to competitive brands. In brand positioning, the marketer's goal is to separate the brand from its competitors by defining the product's unique characteristics. Brand extension involves using successful brands to introduce new products. Brand licensing involves legal authorization by a brand owner to allow another company to use the brand in exchange for a fee. Brand maintenance means protecting the brand, updating the brand, and evaluating brand strategies.  
SOURCE: PM:003  
SOURCE: LAP-PM-003—Mix & Match (The Nature of the Product Mix)
86. C  
Product bundling. Product bundling is a marketing strategy that involves offering several products for sale as one combined product. Cross linking is a method of adding links on your website to other websites with similar content or interests. Customer loyalty programs are put in place to reward customers for repeat business. Content marketing is the creation and distribution of content to attract customer engagement.  
SOURCE: PM:041  
SOURCE: Tatum, M., & Harris, B. (2018, October 5). *What is product bundling?* Retrieved October 31, 2018, from <http://www.wisegeek.com/what-is-product-bundling.htm>
87. B  
Location on the water. Few hotels will be able to duplicate the hotel's location; therefore, that should be its competitive advantage and should be used to attract the 35- to 55-year-old market that has money to spend. Since food will be included in the price guests pay, ease of access to fast-food restaurants will not be an advantage. Some guests may be turned off by the hotel's height because they'd prefer being close to the ground. The target market will be appealed to—not the competitive advantage.  
SOURCE: PM:246  
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for the hospitality industry* (5th ed.) [pp. 214-219]. Boston, MA: Prentice Hall.
88. B  
Taste. For many consumables, such as chocolate bars, taste is typically the most important touchpoint. Although packaging, online advertising, and email campaigns are important touchpoints, the taste of a chocolate bar is most likely to be more important than any marketing efforts. Even with good marketing, a chocolate bar that tastes awful will probably not sell.  
SOURCE: PM:206  
SOURCE: Glatstein, S. (2018, February 9). *Steps to building a strong brand*. Retrieved November 26, 2018, from <https://www.thebalancesmb.com/steps-to-brand-building-2948332>

89. D

Child care. The hospitality industry offers many services to consumers, including dining, entertainment, and lodging facilities. Within the lodging facility, the amount of services and the level of service vary. Economy motels located near major highways offer traveling motorists simple, inexpensive sleeping accommodations. Upscale conference centers might offer meeting and banquet rooms and audiovisual equipment. Resorts might offer guests opportunities to enjoy on-site eating establishments, entertainment and tours, horseback riding, and child-care services for parents. Lodging facilities might participate in travel packages that include airline transportation. However, lodging facilities do not offer or provide the transportation. The transportation company provides the service. Resorts generally provide a wide variety of services. By offering a variety of options, guests spend more time and money on the property. Although it is possible for a resort to cater outside events, the services are generally developed to serve leisure or vacation guests.

SOURCE: PM:095

SOURCE: Grant, L. (2016, February 4). *Everything you need to know about all-inclusive resorts*. Retrieved October 31, 2018, from <https://www.oyster.com/articles/51469-everything-you-need-to-know-about-all-inclusive-resorts/>

90. D

Product extensions. A product extension is a good or service added to an existing product line or product category. An example is a hotel chain adding a new line of hotels. Valet service and full-service dining can be found in many upscale hotels but not at an economy facility. A company that owns more than one type of hotel and offers different levels of service or amenities have extensions from the main product (hospitality services). Market potential refers to estimated revenues or income that can be generated from a specific market segment. Franchising is a method of distributing goods and services through a licensing arrangement between a parent company and another individual or company outside the parent company. Multicorporate franchising is not a term used in the hospitality and tourism industry. Property management systems are the central computer or technological systems that a hotel uses.

SOURCE: PM:099

SOURCE: Mangels, J. (2016, September 21). *Hotels brand expansion or brand explosion?* Retrieved November 26, 2018, from <https://www.lexology.com/library/detail.aspx?g=6a8a9d81-b6fb-4f92-88e6-4474218564cd>

91. C

Fabric samples. Vendors will often provide samples of products so that buyers can see, touch, and inspect the products firsthand. In the situation provided, the resort's purchasing manager wants to see the available colors and quality of the linen's fabric. The vendor may provide small samples or swatches of the fabric to help the resort's purchasing manager make a buying decision. A testimonial is a statement by an identified user of a product proclaiming the benefits received from the use of the product. A warranty is a promise made by the seller to the buyer that the seller will repair or replace a product that does not perform as expected. Testimonials and warranties may facilitate the buying decision; however, these options do not allow buyers (purchasing managers) to inspect products firsthand. When a desired item is not available, a vendor may suggest a substitute item that is similar to the item originally requested. A buyer may want to inspect a substitute product before purchasing it; however, there is not enough information provided to indicate that the purchasing manager is requesting samples of a substitute product.

SOURCE: PM:239

SOURCE: Hayes, D.K., & Ninemeier, J.D. (2010). *Purchasing: A guide for hospitality professionals* (pp. 32, 311). Upper Saddle River, NJ: Prentice Hall.

92. D

Number of vendor's employees. If a vendor scores well on other factors, such as dependability and reliability, the number of persons the vendor employs is not critical to the buyer. The vendor's location influences transportation costs and delivery time. The terms of sale, such as discounts, directly influences costs. Type of service includes such services as technical assistance and flexibility in scheduling deliveries.

SOURCE: PM:263

SOURCE: Bucki, J. (2018, September 4). *6 step vendor selection process*. Retrieved November 26, 2018, from <https://www.thebalancesmb.com/the-successful-vendor-selection-process-2533820>

93. A

Outdoor advertising. Outdoor advertising includes billboards, painted bulletins, electric spectaculars, blimps, hot-air balloons, and skywriting. Hotels and motels often place advertising on billboards near airports to attract airline travelers to their facilities. Hotels and motels also place advertising on display panels in airports, and may even provide a direct phone for the convenience of airline passengers. This type of advertising is designed to attract the attention of travelers visiting a city who may not be familiar with the local hotels and motels. Open houses and window displays are more likely to attract local customers. Sweepstakes are designed to attract a wide range of customers, not specifically airline travelers.

SOURCE: PR:082

SOURCE: Kotler, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 378-379]. Boston, MA: Pearson Education, Inc.

94. B

Value stream mapping. To facilitate continuous improvement, some businesses use value stream mapping to plot all activities and information in the flow of production. Developed by Toyota, the value-stream map is a visual depiction of the entire production process and is used to help the business identify bottlenecks and inefficiencies. As inefficiencies are identified, the business can take action to improve processes. The 80/20 rule is a selling principle which states that 80% of a business's sales are made by 20% of its customers. A fishbone diagram is a visualization tool that helps the business find ways to solve a problem by focusing on the possible reasons for the problem. Reverse audit is not a visualization tool that businesses use to observe production flow.

SOURCE: QM:003

SOURCE: Thakur, S., & Edwards, G. (2010, December 23). *A survey of Kaizen tools*. Retrieved October 31, 2018, from <https://www.brighthubpm.com/project-planning/100412-a-survey-of-kaizen-tools/>

95. D

Firewalls. Risk management is a business activity that involves the planning, controlling, preventing, and procedures to limit business losses. Businesses use technology to minimize security risks. One way that businesses control security risks is by installing firewalls on their computer networks. Firewalls are computer programs designed to prevent computer hackers from obtaining confidential financial data. A frame allows a computer user the ability to view more than one web page at a time in a single browser. Meta tags are HTML codes that display information about web pages. A site map is a flowchart that puts information on the Web in a logical format so that Internet users can find what they are looking for.

SOURCE: RM:042

SOURCE: Cisco. (2018, October 23). *What is a firewall?* Retrieved October 31, 2018, from <https://www.cisco.com/c/en/us/products/security/firewalls/what-is-a-firewall.html>

96. B

Employ captive insurance. Captive insurance is offered by an in-house insurance company for a parent company. Companies often resort to captive insurance policies when they are unable to secure regular insurance against certain risks. Group insurance is a term used for insurance that covers a defined group of people. It would not change the decision of a firm to insure against a certain risk. Offering no insurance would not insure against the risk and, therefore, would not be the best alternative to insure against the risk. Changing industries would not be a better alternative than captive insurance because the company would most likely need to completely restructure.

SOURCE: RM:043

SOURCE: National Association of Insurance Commissioners. (2018, November 9). *Captive insurance companies*. Retrieved November 26, 2018, from [http://www.naic.org/cipr\\_topics/topic\\_captives.htm](http://www.naic.org/cipr_topics/topic_captives.htm)

97. C

Desire for convenience. Travelers select certain lodging facilities for many reasons or for a combination of reasons. Ms. Woo staying in a hotel across the street from her client's office implies that one reason Ms. Woo selected the hotel was for the convenience of being near the office where she was planning to attend a business meeting. Because there is not enough information revealed about the location or Ms. Woo, it cannot be determined whether additional factors for her selection included relaxation, safety, or prestige.

SOURCE: SE:220

SOURCE: Baruca, P.Z., & Civre, Z. (2012). *How do guests choose a hotel?* Retrieved November 26, 2018, from [http://www.hippocampus.si/ISSN/2335-4194/5\\_1\\_75-84.pdf](http://www.hippocampus.si/ISSN/2335-4194/5_1_75-84.pdf)

98. C

Recommending hospitality services. Front-desk employees often tell guests about the hotel's dining options to encourage guests to use the hotel's food service. This is an example of recommending hospitality services. The advantage of recommending services, such as the dining room or room service, is that these services generate additional revenue for the hotel. If guests are unaware that the hotel has a restaurant or offers room service, they may leave the property and dine elsewhere. Telling guests about the hotel's restaurant and room-service menu is not an example of explaining complimentary offers, describing local opportunities, or promoting recreational activities.

SOURCE: SE:221

SOURCE: Kotler, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [p. 420]. Boston, MA: Pearson Education, Inc.

99. D

Gift certificates. Gift-certificate/card sales are an important source of revenue for many types of hospitality businesses. Consumers like to purchase gift certificates/cards for others because the gift recipients can book a reservation where and when they want it, which provides them with flexibility. Hotel chains do not sell reward points, contest passes, or keyless cards.

SOURCE: SE:479

SOURCE: RPG Card Services. (2017). *Hilton gift cards*. Retrieved October 31, 2018, from <https://www.buyhiltongiftcards.com/>

100. C

\$85.06. Many restaurants offer special prices on certain types of dinners to attract customers. Customers order those dinners because they are priced lower than usual. If customers also have coupons for discounts, the restaurant calculates the discount to determine the total cost. In this example, the restaurant is offering lobster dinners for \$22.99. A table of four orders the dinners, but two of the customers have coupons for discounts. To process the coupons, the restaurant subtracts the discount amount from the cost of the two dinners. To determine the amount of discount, add the cost of the two dinners and calculate the 15% discount ( $\$22.99 \times 2 = \$45.98$ ;  $\$45.98 \times 15\%$  or  $.15 = \$6.897$  or  $\$6.90$ ). Then, subtract the discount from the cost of the two dinners ( $\$45.98 - \$6.90 = \$39.08$ ). Add the discounted price of the two dinners to the regular price of the other two dinners to calculate the total cost for the table ( $\$39.08 + \$22.99 + \$22.99 = \$85.06$ ).

SOURCE: SE:149

SOURCE: Omni Calculator. (n.d.). *Discount calculator*. Retrieved October 31, 2018, from <https://www.omnicalculator.com/finance/discount>