COLLEGIATE DECA

SAMPLE EXAM

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

1. Laws that prohibit violence against others are an example of which function of the law?
    A. Resolving disputes
    B. Enacting social change
    C. Ensuring equality
    D. Maintaining order

2. Jonas is starting a nonprofit organization to save turtles in Mexico. What benefit will Jonas most likely receive from registering as a nonprofit?
    A. Dual taxation
    B. Federal tax break
    C. Bank loan
    D. Dividends

3. Which of the following is a right of customers in the travel and tourism industry:
    A. To be told about a competitor's refund policy
    B. To be asked if they want to buy trip insurance
    C. To be reminded that foreign travel is often dangerous
    D. To be informed about a destination's social conditions

4. The Houghten Hotel was overbooked and had to turn away an individual with a telephone confirmation. Since the Super Bowl was in town, the individual was forced to take the only available room which was located in an unsafe part of town. The individual was attacked while sleeping and sued the Houghten Hotel. What is the likely outcome of a lawsuit against the property?
    A. The property will be required to pay damages to the individual for breaking a legal contract.
    B. The case will be dismissed because the individual was able to find a room elsewhere.
    C. The individual will not be entitled to damages because s/he did not receive a written confirmation.
    D. The property will be forced to pay a fine for committing fraud by pretending to have a room available.

5. You're giving a presentation at your job about the company's sales figures. You want to show how much profit the company has made in each of the past 12 months. Which visual aid should you choose to show this?
    A. A pie chart
    B. A line graph
    C. A photograph
    D. A video

6. It's appropriate to write a letter of inquiry when
    A. you're summarizing a business report.
    B. thanking a potential employer for an interview.
    C. informing employees of a payroll change.
    D. requesting more information about a company.

7. Talia is the marketing director at a resort, and she knows that people usually begin booking their spring break trips in January. Talia wants to regularly promote rate deals in the weeks leading up to this season. What tool would be most beneficial to Talia?
    A. Web statistics and analytics
    B. Search engine optimization
    C. A social media content calendar
    D. An infographic generator

8. Gerry's Burger Barn produces a spoof video on social media that shows its burgers are "so good that cows eat them." The video goes viral and is shown on different sites on the Internet, which was not Gerry's original intent. This would most likely cause a(n) _____ risk.
    A. legal
    B. reputational
    C. employment
    D. security

9. What is the first step to problem solving in a group?
    A. Assessing solutions
    B. Defining the problem
    C. Determining causes of the problem
    D. Implementing solutions

10. Businesses use technology to build positive customer relations by
    A. sending unsolicited emails.
    B. calling customers at home.
    C. placing pop-up advertisements on websites.
    D. creating targeted marketing campaigns.

11. What should help businesspeople adapt their communication styles to appeal to clients from other cultures?
    A. Being confident, biased, and manipulative
    B. Being patient, flexible, and empathetic
    C. Being sensitive, transparent, and demanding
    D. Being respectful, indifferent, and honest

12. One way to resolve conflict with customers in the hospitality and tourism industry is to
    A. always escalate conflict to upper management.
    B. be aware of common triggers of conflict.
    C. maintain an authoritative attitude.
    D. understand what the guest truly wants.

13. Which of the following is a good strategy for resolving a customer service issue:
    A. Disagree with each negative statement
    B. Agree with the customer's complaints
    C. Keep the conversation in a public space
    D. Allow the customer to express feelings

14. A frequent customer is early for his Tuesday appointment with your coworker, Antonio. What should you do or say to the customer?
    A. Ask him what he thinks of Antonio's ability.
    B. Ignore him since he is familiar with the company.
    C. Tell him that Antonio always runs late on Tuesdays.
    D. Invite him to be seated in a waiting area.

15. You are a hotel event planner in charge of a business conference. One of your guest speakers calls you to explain he is running late and will miss the pre-conference dinner. Instead, he explains, he is going to get something fast to eat on the way to the hotel. He still plans to arrive in time for his scheduled presentation, though. Which of the following would be the best thing for you to do to assist him:
    A. Ask the staff to keep his entrée warm so he can eat when he arrives.
    B. Ask a valet to help him with parking and luggage when he arrives.
    C. Cancel his presentation and let attendees know that he won't be there.
    D. Arrange for a video conference call in case he is late for his presentation.

16. An expensive jewelry store provides computer tablets with a fun jewelry design game to entertain customers' children. The store is
    A. encouraging children to visit the store.
    B. accommodating the needs of parents.
    C. preventing children from touching displays.
    D. developing a new jewelry line for kids.

17. A restaurant has been extremely busy, but it does not have room in the budget to hire more staff to keep up with demand. What is one strategy the restaurant could take to keep customers happy during peaks in demand?
    A. Offer discounts for customers to come back another time
    B. Only accept customers who have a reservation
    C. Add a consumer-participation option such as a salad bar
    D. Expand the restaurant to accommodate more tables

18. Servers at the Mountain Top Café often seat customers as well as wait on tables. Unfortunately, the servers are often so busy that they aren't very welcoming or friendly to diners wanting to be seated. Which of the following would help servers focus on their responsibilities as wait staff while also maintaining high service standards:
    A. Display a menu outside so diners can be self-informed.
    B. Allow guests to seat themselves where they prefer.
    C. Hire a host/hostess to greet and seat the diners instead.
    D. Ask servers to tell customers they don't have time to chat.

19. Processing customer payments involves recording cash receipts which increase the business's
    A. assets.
    B. liabilities.
    C. costs.
    D. debts.

20. A company received a negative review on social media. How should the company respond to improve the customer's post-sales experience?
    A. Ignore the negative comment so others aren't encouraged to follow suit
    B. Apologize and attempt to rectify the problem
    C. Reply with a witty comment to improve brand image
    D. Ask the customer to comment again explaining the problem in more detail

21. What is one way that a business can create or enhance place utility?
    A. Offer customers financial assistance, such as credit or loans
    B. Research locations where customers expect to find products
    C. Order or manufacture products before they are needed
    D. Add new features to existing products

22. Which of the following is a true statement about globalization:
    A. It has had a minimal impact on the world.
    B. It involves the flow of ideas across national borders.
    C. Its pace is slowing down.
    D. It is a purely economic term.

23. How have industry structure changes affected the current business environment?
    A. Business now moves faster than ever.
    B. Organizations are less willing to change than in the past.
    C. The manufacturing industry has disappeared.
    D. Communication is slightly slower than it used to be.

24. One of the primary ways in which hospitality and tourism contribute to economic growth is through
    A. visitor exports.
    B. the use of sustainable resources.
    C. conference space.
    D. the use of global positioning systems.

25. Which of the following is a way that businesses can increase productivity by improving their employees' quality of work life:
    A. By following regulations
    B. By developing new products
    C. By paying fair salaries
    D. By meeting customers' needs

26. Which of the following situations is most likely to happen during a period of economic expansion:
    A. Consumer spending increases.
    B. The government delays projects.
    C. Businesses default on loans.
    D. Unemployment rises.

27. Which of the following causes problems in measuring GDP:
    A. Some figures used in calculating GDP are estimates.
    B. All economic goods and services produced are sold.
    C. Transfer payments add to the value of GDP.
    D. The underground economy has a large volume of records.

28. Because changes are always occurring in the hospitality industry, hotel managers must be
    A. adaptable.
    B. empathetic.
    C. sincere.
    D. aggressive.

29. DeMarcus behaves ethically at his job even when no coworkers or supervisors are watching. DeMarcus is displaying
    A. transparency.
    B. integrity.
    C. viability.
    D. greed.

30. Janet is a busy advertising executive trying to balance her job, family, and social responsibilities. Four days a week, Janet runs on a treadmill for an hour. After her workouts, Janet feels relaxed and focused. Janet's exercise program helps her manage
    A. work.
    B. goals.
    C. time.
    D. stress.

31. Which of the following statements best describes consensus building:
    A. Everyone has equal power.
    B. It is majority rule.
    C. It is minority rule.
    D. Decisions are made by a single leader.

32. Which of the following is an example of encouragement:
    A. "I believe in you!"
    B. "You did a great job!"
    C. "I knew you could do it!"
    D. "Wow, that was impressive!"

33. Financial planning is important because it can help you
    A. understand economics and finance.
    B. meet needs and wants.
    C. predict the future.
    D. increase your income.

34. Exactly one year ago, Kim's dad gave her a $10 bill. Kim saved the money "for a rainy day." Now, her $10 bill has less buying power than it did a year ago. What caused the decline in the value of Kim's money?
    A. Inflation
    B. Taxes
    C. Globalization
    D. Unemployment

35. A business's managers expected to reduce expenses by four percent last quarter. The financial information, however, shows that expenses were actually reduced by two percent. This is an example of
    A. variance.
    B. profitability.
    C. acquisition.
    D. a trend.

36. Which of the following is a characteristic of an efficient accounting system:
    A. Maintenance-free
    B. High-accessibility
    C. User-friendly
    D. Results-oriented

37. To reconcile cash, which of the following should businesses do:
    A. Compare cash received with receipts or transaction records
    B. Total up the money in each of the company's cash registers
    C. Divide the transaction total by the amount of cash received
    D. Multiply the cash received by the total number of receipts

38. What is a primary responsibility of a company's financial function?
    A. Materials allocation
    B. Product sourcing
    C. Cash management
    D. Sales forecasting

39. When you are trying to justify your actions to yourself and others, you are
    A. voicing your concerns.
    B. rationalizing.
    C. following a code of ethics.
    D. obeying authorities.

40. Sunny Side Up Café is a small family-owned business in a quiet part of town. The restaurant does not accept credit cards—only cash. Which of the following is the most likely reason for the restaurant to refuse credit cards:
    A. The town restricts use of credit cards.
    B. The business owners are old.
    C. Residents never carry credit cards.
    D. Credit cards have high processing fees.

41. Which of the following individuals is an example of a whistleblower:
    A. Olga admitted that she was changing companies because she was tired of her boss.
    B. Megan told her human resources manager about an annoying coworker.
    C. Jake reported that he witnessed a senior manager harassing a new employee.
    D. Asha told her friend that her manager was too uptight and serious all the time.

42. Which of the following is an example of an organized labor-relations issue:
    A. Performance reviews
    B. Employee training
    C. Continuing education
    D. Collective bargaining

43. What can happen when employees do not respect one another's lifestyles?
    A. Language barriers
    B. An uncomfortable work environment
    C. Generational misunderstandings
    D. An increase in productivity

44. Anna is a marketing manager for an upscale resort, and is developing profiles of typical guests who stay at the resort. The best internal source of secondary information for Anna to obtain is
    A. room status reports.
    B. government census reports.
    C. airline passenger lists.
    D. guest registration records.

45. Free Wheelin' Bus Tours sent an online survey to customers to determine their satisfaction levels with the company's tours. What type of research did the company conduct?
    A. Unilateral
    B. Secondary
    C. Primary
    D. Bilateral

46. If trends indicate that more people are booking airline flights to popular destinations, it is likely that
    A. the unemployment rate will increase.
    B. tour attendance will decline.
    C. lodging occupancy rates will increase.
    D. consumer spending will decline.

47. Which of the following can be learned from monitoring the sales data of any hospitality and tourism business:
    A. Color most frequently preferred by customers
    B. Median age of customers
    C. Average size of customers' families
    D. Average amount of sales per customer

48. Which of the following is a tangible product that a hotel restaurant markets to its patrons:
    A. A bowl of French-onion soup
    B. A short wait to be seated
    C. A friendly greeting from the server
    D. An extensive knowledge of the menu

49. Which of the following is a specific goal:
    A. Increasing sales
    B. Finding more customers
    C. Reducing costs by 5%
    D. Improving customer satisfaction

50. A luxury resort in the Grand Cayman Islands maintains a special section on its website for couples who are planning a destination wedding and/or honeymoon. This is an example of a hospitality business segmenting a market by
    A. geographics.
    B. behavior.
    C. lifestyle.
    D. age.

51. What is one downside of using online storage for your business records?
    A. Online storage companies may have problems or go out of business.
    B. Files are difficult to access when you use online storage.
    C. Online storage is not as safe as keeping hard copies of documents at your office.
    D. Online storage is too expensive for most business owners.

52. In an effective information management system, all information is
    A. abstract.
    B. accessible to everyone.
    C. quantitative in nature.
    D. accurate.

53. To allow customers to access account information at any time by telephone, businesses often use
    A. teleconferencing software programs.
    B. interactive voice response software.
    C. just-in-time systems.
    D. technological robotics systems.

54. One reason why businesses often use databases to analyze information about customers is to
    A. manage finances.
    B. prepare invoices.
    C. make predictions.
    D. prepare reports.

55. A company wants to know how to better advertise to specific segments of customers, so it groups its customer data based on their incomes. This company is using the _____ method of data mining.
    A. clustering
    B. decision tree
    C. neural networks
    D. huddling

56. Eduardo just took over the job of maintaining customer records at his company. Which of the following things should he do:
    A. Allow everyone to update records
    B. Maintain incomplete data
    C. Allow duplicate records
    D. Maintain a consistent style

57. Which of the following is the most rapidly changing category of information included in an environmental scan:
    A. Demographics
    B. Technology
    C. Government
    D. Competition

58. One of the advantages of using statistics is that individual employees' biases can't impact decision-making. That is because statistics are
    A. objective.
    B. affordable.
    C. accurate.
    D. persuasive.

59. Trends indicate that more hotel guests are booking rooms directly with hotel properties over the Internet, which reduces the need for travel
    A. intranets.
    B. intermediaries.
    C. subsidiaries.
    D. amenities.

60. Which 1990s technological development has allowed travel and tourism information to be obtained by the general public on personal computers:
    A. Central Reservation Systems
    B. Fax machines
    C. Cellular telephones
    D. Internet

61. One way that businesses maintain the security of data that they send over the Internet to clients is by using a software program that prevents a(n)
    A. document from being forwarded.
    B. virus from being downloaded.
    C. attachment from being included.
    D. search engine from being used.

62. Which of the following situations is an example of employees coordinating their work efforts:
    A. Sarah calls a vendor to verify the delivery date of an order, while Shelley sells products.
    B. Bob unpacks a shipment and places the items on shelves in the warehouse.
    C. Gavin orders inventory based on the forecast that Madelyn has prepared for him.
    D. Ed reviews his monthly financial report to verify his calculations.

63. Charlotte is a manager who is delegating tasks to her employees. Which of the following things should she do to ensure that the tasks are completed correctly:
    A. Do the work herself if she is concerned that it will not be done properly.
    B. Accept work she isn't fully satisfied with, as long as it's done.
    C. Be specific about what tasks need to be done and when they are due.
    D. Watch her employees as they work to ensure things are done correctly.

64. Which of the following statements is true about project management:
    A. It involves the coordination of multiple activities.
    B. It is a continuous series of events with an unlimited life span.
    C. It requires a signed contract from stakeholders.
    D. Its primary use is for completing complex activities.

65. Which of the following is a key question project managers ask when identifying needed resources:
    A. Who is approved to authorize changes to the project plan?
    B. What might go wrong with this project?
    C. What level of expertise is required to complete each deliverable?
    D. Is communication clear and effective?

66. Which of the following is a primary factor that helps a business determine when it should place another order for a regularly stocked item:
    A. Reorder point
    B. Profit margin
    C. Buyer's preferences
    D. Accounts receivable

67. The purpose of a pre-bid meeting is to
    A. strengthen relationships between bidders and purchasers.
    B. filter out potential bidders.
    C. clarify any bidders' concerns.
    D. request an extension of the submission date.

68. A standard purchase order should include product specifications, quantities, prices, and what else?
    A. Location of buyer's customer
    B. Shipping requirements
    C. The invoice code
    D. Credit references

69. When a purchasing agent ordered products for a national park's gift shop, s/he agreed to the terms F.O.B. destination. What can the purchasing agent expect as a result of these terms?
    A. The vendor will pay shipping charges to the national park's gift shop.
    B. The purchasing agent will pay shipping charges from the vendor's shipping point.
    C. The park will not be charged shipping charges since it's a government agency.
    D. The transportation company will pay shipping charges to the park's destination.

70. Ariel keeps all of her clients' information on her company's server. What method can Ariel use to ensure the information is unreadable to unauthorized users?
    A. Creating strong passwords
    B. Installing antivirus software
    C. Encrypting the information
    D. Posting a security policy

71. What is an employee safety issue in the hospitality and tourism industry that is typically most difficult to control?
    A. Liability
    B. Fraud
    C. Terrorism
    D. Robbery

72. Which of the following is a procedure that a tour operator might use when handling emergency situations such as natural disasters:
    A. Assist with evacuation
    B. Provide medical advice
    C. Protect private property
    D. Activate alarm system

73. Which of the following security measures is often found in lodging establishments:
    A. Electronic key cards
    B. Radio frequency tags
    C. Metal detectors
    D. Property management system

74. Which of the following is a reason why innovation is important:
    A. Innovation eliminates competition.
    B. Innovation ensures a business will succeed.
    C. Innovation leads to creativity.
    D. Innovation helps the economy.

75. Billie's whole day was thrown off schedule because she was 20 minutes late to a team meeting. Which time-management principle does she need to learn?
    A. Know when and how you work best.
    B. Make the most of your "down time."
    C. Learn to be on time.
    D. Focus on goals, not on tasks.

76. An effective way to close a job interview follow-up letter is to
    A. communicate your minimum salary requirements.
    B. reinforce your interest in the position.
    C. acknowledge your desire to be promoted.
    D. ask the interviewer to read your résumé.

77. Does the hospitality and tourism industry offer career opportunities for entrepreneurs?
    A. Yes. Businesses in the hospitality and tourism industry can start small and expand.
    B. No. Businesses in the hospitality and tourism industry are franchises.
    C. No. Businesses in the hospitality and tourism industry are too large for start-up businesses.
    D. Yes. Businesses in the hospitality and tourism industry are started with state funding.

78. Because the company's president was impressed with Ed's willingness to accept additional tasks and carry them out without a lot of direction, s/he promoted Ed to a management position. What personal trait does Ed possess that helped him advance in his career?
    A. Courage
    B. Initiative
    C. Self-confidence
    D. Self-control

79. A business must ensure that it hires employees who possess the appropriate skills to
    A. set the appropriate standards.
    B. determine if the business needs to seek additional funding.
    C. analyze the business's profit margins.
    D. help the business achieve its organizational goals.

80. Which of the following industries has most impacted the development of the hospitality industry?
    A. Lumber
    B. Retail
    C. Transportation
    D. Financial

81. In what segment of the hospitality and tourism industry is destination marketing?
    A. Recreation
    B. Travel and tourism
    C. Event management
    D. Restaurants and managed services

82. Full-service hotels that provide upscale services and amenities usually charge high rates because their guests associate price with
    A. supply.
    B. economy.
    C. quality.
    D. value.

83. Which factor determines the lowest price that would be charged for hospitality and tourism products:
    A. Demand
    B. Costs
    C. Government regulation
    D. Consumer perceptions of value

84. Holiday Inn Express uses the slogan "No excuses, guaranteed" as a money-back promise to guests. This is an example of a
    A. warranty on goods.
    B. guarantee on goods and services.
    C. warranty on service.
    D. guarantee on service.

85. A salon recently added nail services to its product mix. This strategy is called
    A. contraction.
    B. expansion.
    C. trading up.
    D. alteration.

86. Which of the following is the most appropriate item to bundle with a bottle of shampoo:
    A. Bottle of conditioner
    B. Bottle of hand lotion
    C. Bar of soap
    D. Tube of toothpaste

87. Although Sara's favorite soft drink is Diet Coke, she will order Diet Pepsi if a restaurant does not serve Diet Coke. This is an example of brand
    A. preference.
    B. insistence.
    C. adoption.
    D. perception.

88. Which of the following is an example of a business's core values:
    A. We are decreasing our overall expenses by 5% over the next 12 months.
    B. We deal honestly and fairly with our customers and ourselves.
    C. Demonstrate a customer service mindset.
    D. Social media are used to reach our target market.

89. Why is it important for a business to identify its product's competitive advantage?
    A. To plan a distribution system
    B. To create a realistic trademark
    C. To evaluate the marketing research process
    D. To develop an appropriate marketing strategy

90. Which of the following statements is true regarding the concept of product in the hospitality and tourism industry:
    A. Product specifically refers to tangible items such as a meal in the hotel restaurant.
    B. A hospitality and tourism product includes all goods and experiences that guests encounter.
    C. Hospitality and tourism products are often developed before considering the customer's needs or wants.
    D. The level of service is the most important function in the concept of the hospitality and tourism product.

91. Swann Lake Inn is interested in purchasing a variety of gourmet cheesecakes from a local bakery and offering slices of the cheesecakes on the inn's dessert menu. The best way for the inn's executive chef to evaluate the flavor of the bakery's cheesecakes is by
    A. asking the bakery for its cheesecake recipes.
    B. requesting photos of the cheesecakes.
    C. tasting samples of the cheesecakes.
    D. considering the bakery's price per cheesecake.

92. The Premier Hotel inserts a coupon offering a midweek special in the local newspaper. What type of promotional activity is the hotel using?
    A. Public relations
    B. Sales promotion
    C. Selling
    D. Advertising

93. Which of the following is a potential challenge when implementing quality management:
    A. Lack of integration
    B. Too specific goals and plans
    C. A budget surplus
    D. Difficult laws/regulations

94. Which of the following is true of breakthrough improvements:
    A. They typically lead to big gains.
    B. They are usually predictable.
    C. They are typically not dramatic.
    D. They are gradual and constant.

95. Which of the following presents an ethical issue that may increase a business's level of risk:
    A. Developing processes to test product durability
    B. Communicating business information to customers
    C. Hiring a family member who lacks necessary job skills
    D. Striving to achieve higher sales than coworkers

96. Courtney is responsible for risk management for her company and wants to make sure risk management is being applied to operations and decisions at every level throughout the business. To do so, Courtney would most likely want to employ a(n)
    A. supply chain management risk program.
    B. enterprise risk management system.
    C. information security system.
    D. management information system.

97. Training programs that address gender-related issues at work may lower a firm's legal risks associated with
    A. sexual harassment.
    B. religious preferences.
    C. intellectual property.
    D. financial misconduct.

98. Melissa's family goes to the same remote beach destination every year for one week. All of the family members enjoy the quiet, relaxing atmosphere that the location offers. In this situation, the motive to travel to this location is
    A. price.
    B. adventure.
    C. comfort.
    D. prestige.

99. Each year, the Big Roy family restaurant sells packets of Valentine's Day gift certificates for free children's meals. Each $3.99 packet contains 10 gift certificates. Each gift certificate has a maximum value of $2.50. What is most likely to be the restaurant's primary motivation for selling these gift certificates?
    A. To increase the number of families dining at Big Roy
    B. To publicize Big Roy's Valentine's Day cakes and pies
    C. To feed underprivileged children in the community
    D. To generate $1.44 in profit from the sale of each packet

100. Calculate the amount charged to a hotel guest's credit card using the following information: A four-night stay at a room rate of $128 per night and 14.5% sales-tax rate.
    A. $586.24
    B. $594.42
    C. $598.42
    D. $582.24

Hospitality and Tourism Exam

Hotel and Lodging Event

Restaurant and Food Service Management Event

Travel and Tourism Event

1. D
   Maintaining order. Maintaining order is an important purpose of the law. Laws help to control society and set the standards for being a part of civilization. The punishments for breaking the law aim to prevent people from harming themselves, others, or society as a whole. Laws against violence are a part of maintaining order. Laws can also enact social change and resolve disputes, but the prohibition of violence is not an example of these functions. While laws may aim to ensure equality, this is not necessarily a function of law, and it is not relevant to this situation.
   SOURCE: BL:163
   SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

2. B
   Federal tax break. Nonprofit organizations that are established to benefit society are not generally taxed by the federal government. Dual taxation is the levying of two taxes on the same income, which normally isn't the case for nonprofit organizations. Bank loans are a means of gaining capital funding and are not a benefit of registering as a nonprofit. Dividends are sums of money paid to an investor or stockholder as earnings on an investment. These normally do not apply to nonprofit organizations since they are based on the goal of profit.
   SOURCE: BL:003
   SOURCE: LAP-BL-001—Own It Your Way (Types of Business Ownership)

3. D
   To be informed about a destination's social conditions. Travel agents and tour operators have an obligation to inform clients about the social and political conditions in a destination that they are considering visiting. Clients have a right to know if there is political unrest, a threat of terrorism, or other dangerous situations that might affect their travel plans or their safety. They should be made aware of possible problems in order to make an informed decision as to whether to visit certain destinations. Travel agents and tour operators usually do not discuss a competitor's refund policy. They often ask customers if they want to buy trip insurance, but that is not considered a customer right. Travel to most foreign countries is not dangerous. However, if travel to some areas is dangerous, customers have a right to know.
   SOURCE: BL:135
   SOURCE: FindLaw. (n.d.). *Should you use a travel agent?* Retrieved November 17, 2017, from http://consumer.findlaw.com/travel-rules-and-rights/should-you-use-a-travel-agent.html

4. A
   The property will be required to pay damages to the individual for breaking a legal contract. A room reservation is a legal contract that entitles an injured party to compensation when the contract is violated, such as when a property does not follow through with its promise to provide a room. A room reservation does not have to be in writing in order for it to be considered a contract; therefore, the individual is entitled to receive damages. For a property to be considered fraudulent in the eyes of the court, it is necessary to prove that the property overbooks as a rule, rather than as an exception, when a special event is in town. The ability to find a room elsewhere is not grounds for dismissing a case in which an individual is physically harmed as a result of being turned away by the hotel.
   SOURCE: BL:065
   SOURCE: Miller, J. (2010, April/May). *Hospitality law.* Retrieved November 13, 2017, from https://www.americanbar.org/newsletter/publications/gp_solo_magazine_home/gp_solo_magazine_index/miller.html

5. B
   A line graph. Line graphs are best used to show changes (particularly small changes) over time. For example, if you want to demonstrate your company's profit in each of the past 12 months, a line graph would be one effective method. Pie charts are more commonly used to show how categories relate to the whole. A photograph or a video would likely not showcase the data you want to present.
   SOURCE: CO:087
   SOURCE: NCES. (n.d.). *How to choose which type of graph to use.* Retrieved November 13, 2017, from https://nces.ed.gov/nceskids/help/user_guide/graph/whentouse.asp

6. D

Requesting more information about a company. When you need to request information or ask a question, you send a letter of inquiry. Letters of inquiry can be written for many different reasons—to request more information about a company, to ask a question about a product, to inquire about a job opening, to ask for advice, to request paperwork, etc. A letter that thanks a potential employer for an interview is a follow-up letter, not a letter of inquiry. When informing employees of a payroll change, you'd likely write a memo. A business report summary is known as an executive summary. This is meant for people who don't have time to read the entire business report, and it's not the same thing as a letter of inquiry.

SOURCE: CO:040
SOURCE: McMurrey, D.A. (n.d.). *Chapter 1: Business correspondence—Inquiry letters.* Retrieved
                November 13, 2017, from www.gel.ulaval.ca/~poussart/gel64324/McMurrey/texte/inquire.htm

7. C

A social media content calendar. A social media content calendar is a way to plan and organize upcoming content for social media. It helps marketers schedule upcoming posts and plan in advance based on important dates and opportunities. Talia could most benefit from a social media calendar because it could help her plan in advance to promote her resort during the busy season. Without a calendar, she might miss out on a key promotional opportunity. Search engine optimization, web analytics, and an infographic generator would not necessarily help Talia in this situation.

SOURCE: CO:193
SOURCE: Walters, K. (2017, June 27). *How to create a social media content calendar: Tips and
                templates.* Retrieved November 13, 2017, from https://blog.hootsuite.com/how-to-create-a-
                social-media-content-calendar/

8. B

Reputational. A reputational risk can do damage to a brand or company by twisting the intent and portraying the company or brand in a negative light. Legal risks include employment, privacy, security, intellectual property, and media risks.

SOURCE: CO:202
SOURCE: Merrill, T., Latham, K., Santalesa, R., & Navetta, D. (2011, April). *Social media: The business
                benefits may be enormous, but can the risks - reputational, legal, operational - be mitigated?*
                Retrieved November 13, 2017, from
                http://old.findinet.nl/~uploads/newsModule/ace_socialmedia111118.pdf

9. B

Defining the problem. Understanding and agreeing upon the details of the problem at hand are crucial to eventually developing a feasible and effective solution. This step must be done before any causes or solutions can be discussed. Assessing solutions, determining causes, and implementing solutions are all steps in the group decision-making process, but cannot be done until the problem has been defined.

SOURCE: CO:067
SOURCE: Raison, B., Lukshin, D., & Bowen-Ellzey, N. (2013). *Group problem solving process.*
                Retrieved November 13, 2017, from https://u.osu.edu/raison/files/2014/02/FACT-SHEET-
                Group-Problem-Solving-CDFS_13_13-1cqoba2.pdf

10. D

Creating targeted marketing campaigns. Businesses use technology to build positive customer relations by identifying valuable customers and creating targeted marketing campaigns to reach them. Calling customers at home, placing pop-up ads online, and sending "junk" emails will create negative customer relations instead of positive ones.

SOURCE: CR:003
SOURCE: LAP-CR-001—Accentuate the Positive (Nature of Customer Relations)

11. B
Being patient, flexible and empathetic. So that businesspeople don't do something that will offend their clients, they should adapt their communication styles with clients from different cultures. To develop positive relationships with international clients, businesspeople should try to learn as much as they can about their clients' cultures, customs, and social values. Adapting communication styles requires businesspeople to be patient, flexible, empathetic, respectful, confident (but not overly so), honest (transparent), and sensitive to their clients' cultures and customs. Projecting biased, demanding, manipulative, or indifferent attitudes may offend the clients.
SOURCE: CR:019
SOURCE: Verderber, R., Verderber, K., & Sellnow, D. (2012). *COMM2* (pp. 73-75). Boston, MA: Cengage Learning.

12. D
Understand what the guest truly wants. In the hospitality and tourism industry, understanding what is truly driving customers' complaints is essential. When you understand what guests want, you can easily fulfill their needs and resolve conflict. Being aware of common triggers of conflict can help prevent conflict rather than resolving it. Hospitality and tourism employees should maintain a positive attitude rather than an authoritative attitude. Finally, hospitality and tourism employees do not always necessarily need to escalate conflict to upper management.
SOURCE: CR:044
SOURCE: Friedlander, R.J. (2015, June 22). *6 guidelines for managing guest conflict and preventing bad online reviews.* Retrieved November 13, 2017, from https://www.reviewpro.com/blog/6-guidelines-for-managing-guest-conflict-and-preventing-bad-online-reviews/

13. D
Allow the customer to express feelings. Sometimes, frustrated customers want to complain and release anger. Allowing them to express their feelings might help them calm down and make a resolution more likely. Agreeing with the customer's complaints is not a good idea because it undermines the authority of the company. Keeping the conversation in a public space is not a good idea because other employees or customers might hear the conversation, which could damage morale and reputation. Finally, disagreeing with each negative statement is likely to upset the customer rather than helping resolve the conflict.
SOURCE: CR:046
SOURCE: Geraghty, S. (2013, February 22). *12 conflict resolution tips for excellent customer service.* Retrieved November 13, 2017, from https://www.talkdesk.com/blog/12-conflict-resolution-tips-for-excellent-customer-service-2/

14. D
Invite him to be seated in a waiting area. It is important to be friendly and make all visitors feel welcome. Ignoring a visitor can make him/her feel unwelcome. Telling a customer that an associate always runs late or asking for opinions of his performance is unprofessional and may make the visitor feel uncomfortable.
SOURCE: CR:052
SOURCE: Martin, M.J. (2017, September 26). *How to greet clients at the office.* Retrieved November 13, 2017, from https://bizfluent.com/how-8684581-greet-clients-office.html

15. B
Ask a valet to help him with parking and luggage when he arrives. A guest speaker is an important part of a conference, so you should arrange to make his arrival as easy and stress free as possible. He plans to eat something on the way to the hotel, so there's no need to keep his entrée warm. Cancelling his presentation or arranging for a video conference call would not be helpful because the speaker is planning to arrive on time for his speech.
SOURCE: CR:053
SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 185, 210]. Tinley Park, IL: Goodheart-Willcox.

16. B
Accommodating the needs of parents. By providing kids with a fun activity, the store is helping parents entertain their children so the parents are free to shop. It's not likely that an expensive jewelry store would want to encourage children to visit. There's no indication that the store is planning to develop a jewelry line for kids. Providing an activity for children does not necessarily prevent them from touching displays.
SOURCE:	CR:054
SOURCE:	McDermott, E. (2013, May 8). *Kid gloves: Dealing with customers' children at your small business.* Retrieved November 13, 2017, from https://smallbusinessonlinecommunity.bankofamerica.com/community/running-your-business/general-business/blog/2013/05/08/kid-gloves-dealing-with-customers-children-at-your-small-business

17. C
Add a consumer-participation option such as a salad bar. One way that restaurants can manage high demand without hiring staff is by including a consumer-participation option, such as a salad bar. This eliminates time spent on preparing and serving salads, as well as keeping customers busy. Only accepting customers who have a reservation might not help because the restaurant will still be busy without enough staff to handle demand. Offering discounts for customers to come back another time is a strategy to shift demand, not necessarily to manage customer experience during peaks in demand. Expanding the restaurant to accommodate more tables is a strategy to be able to handle more customers, but it does not solve the issue if the restaurant cannot hire more staff.
SOURCE:	CR:038
SOURCE:	Sasser, W.E. (2014, August 1). *Match supply and demand in service industries.* Retrieved November 13, 2017, from https://hbr.org/1976/11/match-supply-and-demand-in-service-industries

18. C
Hire a host/hostess to greet and seat the diners instead. Rather than expecting the servers to do what are essentially two different jobs—waiting on tables as well as acting as hosts or hostesses, the restaurant should hire a host/hostess instead. The host or hostess could greet diners, interact with them, seat them, and share information about menu specials. Allowing guests to seat themselves does not meet high service standards and can cause confusion among wait staff. Displaying a menu outside does not eliminate the need to interact with customers. Telling customers there's no time to chat creates a rude and unwelcoming atmosphere that does not achieve high service standards.
SOURCE:	CR:039
SOURCE:	Krow, S. (2012, December 7). *Restaurant service procedures.* Retrieved November 13, 2017, from http://smallbusiness.chron.com/restaurant-service-procedures-58941.html

19. A
Assets. When a business receives customer payments, it records the amount of the payment as a receipt of cash. The increase in cash increases the assets of the business. When a business processes customer payments, it credits the customer's account and adds that amount to its cash balance, which is an asset. Recording cash receipts does not increase the business's costs, debts, or liabilities.
SOURCE:	CR:042
SOURCE:	Accounting Simplified. (2010-2017). *Cash transactions.* Retrieved November 13, 2017, from http://accounting-simplified.com/accounting-for-cash-transactions.html

20. B
Apologize and attempt to rectify the problem. When a company receives a negative review on social media, it should use the platform to publicly acknowledge the customer. This gives the customers the attention and respect they are seeking, as well as demonstrating that the company cares about its customers. The company should not ignore the negative comment because this makes it appear that the customer's opinion does not matter. Replying with a witty comment will not necessarily improve brand image because the customer might feel insulted or belittled. While it is a good idea to gather more information about the problem, it might be wise for the company to do so privately rather than publically in a comment.
SOURCE: CR:028
SOURCE: Schiff, J.L. (2015, September 15). *7 ways social media can improve customer satisfaction.* Retrieved November 13, 2017, from https://www.cio.com/article/2984024/social-networking/7-ways-social-media-can-improve-customer-satisfaction.html

21. B
Research locations where customers expect to find products. To create or enhance place utility, businesses must figure out where customers expect to find products. This way, the business can plan and move the product to the right place—the place where customers will purchase the product, which is likely to be the place where the producer or service provider will make the most sales. Offering customers financial assistance creates possession utility. Ordering or manufacturing products before they are needed creates time utility. Adding new features to existing products creates form utility.
SOURCE: EC:004
SOURCE: LAP-EC-013—Use It (Economic Utility)

22. B
It involves the flow of ideas across national borders. Globalization is the rapid and unimpeded flow of capital, labor, and ideas across national borders. The result is that various regions across the globe now have integrated societies, cultures, and economies—this is due to methods of communication, transportation, and trade becoming faster and more efficient all the time. Globalization involves ideas, people, and culture—much more than just economics. It has had a major impact on the world and everyone in it. Experts agree that the pace of globalization is quickening.
SOURCE: EC:104
SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

23. A
Business now moves faster than ever. Because of new technologies and other improvements, business now moves at a faster pace than ever before. The manufacturing industry has become more streamlined due to new technologies, and communication has become almost instantaneous. Organizations are becoming more adaptable to stay competitive.
SOURCE: EC:107
SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)

24. A
Visitor exports. When travelers journey to a foreign country, the money that they spend there is categorized as visitor exports. Visitor exports include purchases that foreign travelers make from hospitality and tourism businesses as well as those that they make from businesses outside the hospitality and tourism industry. Although hospitality and tourism businesses are encouraged to use sustainable resources, their use does not contribute to economic growth. Provision of conference space is a first step in getting groups to visit an area, but they do not in and of themselves create economic growth. Global positioning systems help to determine how to get to and from locations. They do not impact economic growth.
SOURCE: EC:136
SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [p. 289]. Tinley Park, IL: Goodheart-Willcox.

25. C
By paying fair salaries. Salaries and wages that workers consider to be fair contribute to the quality of work life. Employees will be more productive when they feel that their earnings are equal to or better than the earnings of others doing the same type of work. Paying fair salaries improves the general conditions in which employees work and often results in an increase in productivity. Businesses' research and development programs help to develop new products and meet customers' needs. Businesses try to operate within the guidelines of government regulations.
SOURCE: EC:013
SOURCE: LAP-EC-018—Make the Most of It (Productivity)

26. A
Consumer spending increases. Business cycles, which are the periods of expansion and contraction in economic activities, affect businesses, consumers, and the government. During a period of expansion, unemployment levels drop because businesses are expanding and need workers to perform jobs to support production increases. When people are working, they have income to spend on goods and services, so their spending increases. The government is more likely to delay projects and businesses are more likely to default on loans during the recession and trough phases of the business cycle.
SOURCE: EC:081
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 62-67). Woodland Hills, CA: Glencoe/McGraw-Hill.

27. A
Some figures used in calculating GDP are estimates. While most figures used in GDP computations are reliable, there are some that have to be estimated. This makes it difficult for economists to measure GDP accurately. Not all goods and services are sold. Some are traded for other goods and services in the underground economy, and no records are kept of these transactions. Other goods are kept by producers for their personal use. Transfer payments do not add to the value of GDP because no new wealth is created.
SOURCE: EC:017
SOURCE: LAP-EC-001—Measure Up? (Gross Domestic Product)

28. A
Adaptable. Being adaptable is the ability to accept and deal with change effectively. Successful managers are not only adaptable, but they help employees, vendors, and customers adjust to changes, too. Empathetic people have the ability to relate to the feelings, thoughts, and experiences of others. Sincere people are genuine in nature. Expressing empathy and sincerity helps build positive relationships, but these traits do not always relate to adapting to change. Aggressive behavior is conduct based on a willingness to ignore the rights of others and to take advantage of them to achieve personal goals.
SOURCE: EI:090
SOURCE: CareerAge.com. (1999-2016). *Hotel & hospitality management.* Retrieved November 13, 2017, from http://www.careerage.com/career/cc/hotel/

29. B
Integrity. Having integrity means acting ethically even when no one is watching. Transparency and viability are also ethical principles, but DeMarcus is not demonstrating them in this example. DeMarcus is not demonstrating greed.
SOURCE: EI:124
SOURCE: LAP-EI-124—What's the Situation? (Reasons for Ethical Dilemmas)

30. D
Stress. Stress is a mental, physical, or emotional feeling of pressure or tension. When individuals do not effectively manage their stress levels, their work productivity tends to decrease, and they often experience burnout and develop health problems. Individuals can combat stress by getting plenty of rest, using relaxation techniques, and exercising on a regular basis. Running is one of many ways to achieve the health-related benefits of exercise. Exercise can help individuals feel relaxed and focused, which greatly reduces stress. When individuals manage their stress, they can better manage their time and work activities and achieve their goals.
SOURCE: EI:028
SOURCE: LAP-EI-025—Keep Your Cool (Stress Management)

31. A
Everyone has equal power. Making a decision by consensus means that each group member has equal power to say "yes" or "no." Consensus is not majority rule or minority rule—in consensus, every group member agrees. Consensus is also not rule by a single leader. Rule by a single leader is considered a dictatorship.
SOURCE: EI:011
SOURCE: LAP-EI-019—It's a Group Thing (Consensus Building)

32. A
"I believe in you!" Encouragement is telling someone that you believe in him/her before s/he even begins doing something. It is *not* congratulating someone on a job well done after s/he completed a task. "I believe in you," therefore, is the only example of proper encouragement because it is given in advance of a person's performance.
SOURCE: EI:133
SOURCE: LAP-EI-133—A Force for Good (Inspiring Others)

33. B
Meet needs and wants. Financial planning helps you meet needs and wants by setting goals and working toward them. It does not help you understand economics and finance. It can help you plan for the future, but it does not help you predict it. Financial planning does not increase your income, but it does help you make the most of it.
SOURCE: FI:065
SOURCE: Wohlner, R. (2011, May 17). *6 reasons you need a financial plan.* Retrieved November 13, 2017, from https://money.usnews.com/money/blogs/the-smarter-mutual-fund-investor/2011/05/17/6-reasons-you-need-a-financial-plan

34. A
Inflation. Inflation is an increase in the cost of goods and services. What your dollar buys today won't be the same as what it buys next year. Over the years, the value of money declines. That means that the $10 bill Kim was given last year has less buying power today. Taxes are monies that individuals or businesses must pay to the government. There's no indication that Kim paid taxes on her $10. Globalization is the rapid and unimpeded flow of capital, labor, and ideas across national borders. Unemployment is also known as joblessness. Although taxes, globalization, and unemployment levels can impact the economy, none of the three are the direct cause of the decline in the buying power of Kim's money.
SOURCE: FI:270
SOURCE: Tarver, E. (2015, April 24). *What impact does inflation have on the time value of money?* Retrieved November 13, 2017, from https://www.investopedia.com/ask/answers/042415/what-impact-does-inflation-have-time-value-money.asp

35. A
Variance. Variance is the difference between what's expected to happen and what actually happens. Managers look at variance in financial information as a way to monitor the business's ongoing operations and strategies. Profitability is a business's ability to yield a financial gain. Acquisition means buying another company. A trend is a change or development in a certain direction—one quarter's change in finances would not constitute a trend.
SOURCE: FI:579
SOURCE: LAP-FI-009—By the Numbers (The Need for Financial Information)

36. C
User-friendly. An accounting system is the methods and procedures that a business uses in handling its financial information. An efficient accounting system allows the business to retrieve the information it needs quickly and easily. Because most companies use computer-based accounting systems to help them store, track, and retrieve important financial data, it is important for the accounting system's software to be user-friendly, easy to use, and easy to operate. Most companies do not want a lot of people to have access to their financial data, so it is important to keep it secure and accessible for those who need and use the information. Accounting systems require some type of maintenance because people must continuously update the information. Accounting systems do not produce results for the business—they simply store information in an organized way.
SOURCE: FI:085
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

37. A
Compare cash received with receipts or transaction records. To reconcile cash, a business should compare the total amount of cash received with the total on transaction records or receipts. For example, if a business wanted to reconcile its cash daily, it would count the amount of money in its cash registers and then look at all the sales receipts to make sure the numbers match. Reconciling cash does not involve any multiplication or division. Simply counting up the cash in cash registers would not be enough to reconcile a business's cash for any given period.
SOURCE: FI:396
SOURCE: University of Illinois. (2017, June 27). *Reconcile cash receipts daily.* Retrieved November 13, 2017, from https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/reconcile-cash-receipts-daily

38. C
Cash management. Finance is the process of obtaining funds and using them to achieve the goals of the business. An important aspect of the finance function is managing the cash that flows into and out of the business. Product sourcing, materials allocation, and sales forecasting are not primary responsibilities of a company's financial function.
SOURCE: FI:354
SOURCE: LAP-FI-007—Money Matters (Role of Finance)

39. B
Rationalizing. Rationalizing is justifying your actions to yourself or others. It is often a coping mechanism when finance professionals are torn between what they are doing and what they are supposed to do. If you are trying to justify your actions to yourself and others, you are not necessarily voicing your concerns, following a code of ethics, or obeying authorities.
SOURCE: FI:355
SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

40. D
   Credit cards have high processing fees. When businesses accept credit cards, they are required to give some of the money from each sale they make to several third parties—such as the card provider, the banks that are involved, and various credit-card associations. These processing fees can sometimes make accepting credit cards too expensive for small businesses that sell inexpensive items like breakfast foods. It is unlikely that the café decided to refuse credit cards because the owners are old, because residents never carry credit cards, or due to town restrictions.
   SOURCE: FI:790
   SOURCE: Mirman, E. (2015, March 3). *How credit card processing works (Calculate your true rate).* Retrieved November 13, 2017, from https://pos.toasttab.com/blog/how-credit-card-processing-works-plus-calculator

41. C
   Jake reported that he witnessed a senior manager harassing a new employee. A whistleblower is an employee who reports unethical or illegal business activity to human resources management, an ethics hotline, or to another authority. Harassment is both unethical and illegal in the workplace and is, therefore, an example of a report that constitutes whistleblowing. Telling human resources management about an annoying coworker, admitting to changing companies because of a boss, and telling a friend about a manager that is too uptight are not examples of whistleblowing.
   SOURCE: HR:411
   SOURCE: LAP-HR-411—Moral Mediators (Ethics in Human Resources Management)

42. D
   Collective bargaining. Collective bargaining, which is the negotiation of wages and other conditions of employment by a union or other organized body of employees, is an example of an organized labor-relations issue. Employee training, continuing education, and performance reviews are also important workplace activities, but they are not necessarily organized labor-relations issues.
   SOURCE: HR:452
   SOURCE: AFL-CIO. (2017). *Collective bargaining.* Retrieved November 13, 2017, from https://aflcio.org/what-unions-do/empower-workers/collective-bargaining

43. B
   An uncomfortable working environment. Sometimes, employees do not respect each other's lifestyles and discriminate against each other because of them. When this occurs, employees might experience an uncomfortable work environment. This can damage productivity. Language barriers are a result of ethnic or cultural differences, rather than differences in lifestyles. Generational misunderstandings are not a result of disrespecting lifestyle choices.
   SOURCE: HR:515
   SOURCE: Renee, M. (2011, September 22). *The top 10 diversity issues at work.* Retrieved November 13, 2017, from http://smallbusiness.chron.com/top-10-diversity-issues-work-24939.html

44. D
   Guest registration records. Secondary information is information collected by others. Guest registration records are internal sources of secondary information that are collected for one reason and may be used for other purposes, such as for marketing. Guest registration records can provide information about guests' preferences. By knowing this type of information, the resort can customize promotional information for guests. External secondary information is obtained from sources outside the hotel chain, such as competitors' websites, government documents (e.g., census reports), or online industry reports. Airline passenger lists are external sources of information that are often confidential. Room status reports are internal reports that advise hotel personnel which rooms are occupied and which rooms are not occupied.
   SOURCE: NF:281
   SOURCE: Reynolds, J.S. & Chase, D. (2014). *Hospitality services* (3rd ed.) [pp. 196, 388]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.

45. C
Primary. Primary research involves gathering, recording, and analyzing new information specifically for the purpose at hand. The tour company collected feedback for a specific purpose, which was to determine satisfaction levels with the company's tour products; therefore, the tour company has collected primary research. Secondary research is information that has already been collected for other purposes. Unilateral and bilateral are types of contracts rather than types of marketing research.
SOURCE: NF:282
SOURCE: Kolter, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [p. 128]. Boston, MA: Pearson Education, Inc.

46. C
Lodging occupancy rates will increase. Hospitality and tourism businesses monitor trends. Trends provide hospitality and tourism businesses with information about changes that are occurring in the industry. By knowing about industry changes, hospitality and tourism businesses can adapt so they can effectively compete in the marketplace. Because hospitality and tourism businesses are often interdependent, they will watch trends for various types of businesses within the industry. For example, if more people are booking airline flights to popular destinations, then they will need lodging, which increases the lodging occupancy rates. If more people need lodging, the hotels need to ensure that they have the resources to accommodate the higher number of guests. If more people are traveling, it is likely that they will spend more money at restaurants and that more people will attend or visit area tour attractions. If tourism increases, then the area's unemployment rate will likely decrease because more businesses will be hiring employees to meet the higher demand for hospitality and tourism products.
SOURCE: IM:425
SOURCE: Kolter, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 568-569]. Boston, MA: Pearson Education, Inc.

47. D
Average amount of sales per customer. By totaling the amount of all sales and dividing by the number of customers, hospitality and tourism businesses can determine the average amount of sales per customer. Hospitality and tourism employees can use this information as a target amount to work toward attaining and exceeding their sales efforts. The age of customers, the size of their families, and their color preferences cannot be obtained from all hospitality and tourism sales data.
SOURCE: IM:426
SOURCE: Kolter, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 118-124]. Boston, MA: Pearson Education, Inc.

48. A
A bowl of French-onion soup. Hotel restaurants offer services, which include preparing and serving tangible items—food and beverages. Therefore, the bowl of French-onion soup is a tangible product that the hotel restaurant markets. A short wait time and a friendly server who has extensive product knowledge are intangible factors that affect a restaurant patron's dining experience.
SOURCE: MK:008
SOURCE: Greechie, S. (2010, July 29). *Is service marketing different from product marketing?* Retrieved November 13, 2017, from http://smallbusiness.chron.com/service-marketing-different-product-marketing-3309.html

49. C
Reducing costs by 5%. Reducing costs by 5% is a specific goal. It is easy to measure because it states a percentage. Finding more customers, increasing sales, and improving customer satisfaction are all general goals. These are difficult (or impossible) to measure because they are too vague.
SOURCE: MK:015
SOURCE: LAP-MK-002—Act Now! (Employee Actions and Company Goals)

50. B
Behavior. When segmenting by behavior, marketers consider factors such as the market's product knowledge, purchasing habits, and responses to products. Occasion segmentation classifies buying behavior by important events such as birthdays, holidays, and weddings. Geographics involves segmenting a market by location. Psychographic segmentation is the division of a market on the basis of consumers' lifestyles and personalities. Demographic segmentation considers factors such as income, education, age, and gender.
SOURCE: MP:035
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [pp. 200, 206]. Upper Saddle River, NJ: Prentice Hall.

51. A
Online storage companies may have problems or go out of business. Although online storage is usually safe, there is always the chance that the company you're relying on may have problems or go out of business. Files are not difficult to access when you use online storage—they are usually very easy to access. Online storage has pros and cons, but it is not more dangerous than keeping physical copies at your office. In fact, online storage can save your files if there is a fire or vandalism at your office. Online storage is typically affordable.
SOURCE: NF:081
SOURCE: AllBusiness.com. (2010, July 1). *Is it safe to store files on the internet?* Retrieved November 13, 2017, from https://www.allbusiness.com/is-it-safe-to-store-files-on-the-internet-1187-1.html

52. D
Accurate. A business's information management system isn't very helpful if it contains inaccurate information. While it is important for the information to be accessible to the right people, you don't necessarily want everyone to have access. It could be a disaster if just anyone was able to see your company's tax returns, accounting records, or customer lists. While much information in an effective information system is likely to be quantitative or numerical in nature, some information is also bound to be qualitative or based on opinion (e.g., customer comments). Abstract data or words describe things which are not objects and may have different meanings to different people. Although some data may be abstract, other data or information are concrete in nature (e.g., inventory records, sales reports, etc.).
SOURCE: NF:110
SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

53. B
Interactive voice response software. Many businesses use interactive voice response software to automate their services. When a vendor or customer calls the business, an automated system directs the caller through a series of questions or prompts and guides him/her to the appropriate department or through an activity by processing the caller's verbal response. The software allows callers to process orders or access account information at any time of the day or night. Teleconferencing software allows many callers to communicate simultaneously. Just-in-time is an inventory control method that orders goods just in time for them to be used or sold. Robotics refers to a mass production technique in which robots carry out the repetitive tasks that workers find monotonous and tiring.
SOURCE: NF:106
SOURCE: Tolentino, J. (2015, April 20). *Enhancing customer engagement with interactive voice response.* Retrieved November 13, 2017, from https://thenextweb.com/future-of-communications/2015/04/20/enhancing-customer-engagement-with-interactive-voice-response/#gref

54. C
Make predictions. A database is a collection of facts and information arranged in a logical order so that it can be accessed and used when needed. Businesses often maintain a vast amount of information about customers in databases and analyze the information to make predictions about how customers will respond in the future. For example, businesses might analyze customers' purchases to predict the products they will or will not buy in the future and the amount they are likely to spend. A business might use this information to make changes in its products based on what customers were buying. Businesses use spreadsheet software programs to prepare invoices and manage finances. Businesses use word-processing programs to prepare reports.
SOURCE: NF:185
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [p. 38]. Mason, OH: South-Western Cengage Learning.

55. A
Clustering. Clustering is a method of data mining that involves grouping data by similarities. If a company groups its customer data based on their incomes, it is using clustering. Clustering is not referred to as huddling. The decision tree model of data mining is organized like a tree, with "branches" and "leaves." The neural network method of data mining is modeled after the brain's neurological functions.
SOURCE: NF:151
SOURCE: Crayon Data. (2015, April 1). *What is clustering in data mining?* Retrieved November 13, 2017, from http://bigdata-madesimple.com/what-is-clustering-in-data-mining/

56. D
Maintain a consistent style. It's important to make sure that all records are input the same way. For example, if states were referred to by abbreviations *and* their full names, the record keeping system might not be accurate. A style sheet should tell Eduardo how to consistently input data like addresses, company names, etc. He should maintain complete data and avoid duplicate records. Records should not be updated by everyone; this can lead to duplicates and incorrect information.
SOURCE: NF:002
SOURCE: Pavitra. (2013, March 12). *5 ways to maintain clean and accurate customer information*. Retrieved November 13, 2017, from https://www.zoho.com/crm/blog/5-ways-maintain-clean-accurate-data.html

57. B
Technology. Technology is the most rapidly changing category of information included in an environmental scan. Not keeping up with technology can be fatal to a business, so scanning technology is very important. Demographics, the government, and competition tend to change at slower rates than technology.
SOURCE: NF:015
SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

58. A
Objective. Statistics are objective, which means that they are factual and not influenced by bias, prejudice, or outside opinion. When using statistics, decision-making is less likely to be biased by individual employees. While statistics can be affordable, accurate, and persuasive, those are not related to employees' biases.
SOURCE: NF:236
SOURCE: Williams, J.T. (2010, July 24). *The importance of statistics in management decision making.* Retrieved November 13, 2017, from http://smallbusiness.chron.com/importance-statistics-management-decision-making-4589.html

59. B
Intermediaries. Intermediaries are channel members operating between the producer and the consumer that aid in the movement of goods and services. Today, most lodging facilities maintain websites that have capabilities which allow guests to book their reservations via computer. Internet advancements have reduced the need to book hotel accommodations through travel agents and other travel intermediaries. Intranets are internal computer networks that allow users to access information and communicate with others within an organization. A subsidiary is a company that is entirely controlled by a parent company. Amenities are additional goods and services that make the primary hospitality product more attractive (e.g., dry-cleaning service, wake-up calls). Booking hotel reservations directly with the hotel property has not reduced the use of intranets, subsidiaries, and amenities.
SOURCE: NF:048
SOURCE: Walker, J.R. (2009). *Introduction to hospitality* (5th ed.) [pp. 158-159]. Upper Saddle River, NJ: Pearson Prentice Hall.

60. D
Internet. A personal computer is used to access Internet services. In addition, the Internet can be accessed through cell phones and personal digital assistants (PDAs). Internet services can be used to research, reserve, cancel, and pay for travel and tourism services. Fax machines were developed prior to 1990. Cellular telephones do not require personal computers for usage. Central Reservation Systems were implemented prior to 1990 and are used by persons employed in the travel and tourism industry, not the general public.
SOURCE: NF:060
SOURCE: Reynolds, J.S. (2010). *Hospitality services: Food & lodging* (2nd ed.) [pp. 84-85]. Tinley Park, IL: Goodheart-Willcox Company.

61. A
Document from being forwarded. Some businesses use software programs that help maintain the security of data they send over the Internet to clients. These programs prevent documents from being forwarded to others so the information does not end up in the hands of competitors. Also, these programs prevent others from copying, editing, or printing the documents which helps maintain the information in its original form. These software programs do not prevent a virus from being downloaded, an attachment from being included, or a search engine from being used.
SOURCE: OP:064
SOURCE: Bartlett, M. (2016, February 13). *Disable email forwarding in Outlook 2016 & 2013.* Retrieved November 13, 2017, from https://www.technipages.com/outlook-disable-email-forwarding

62. C
Gavin orders inventory based on the forecast that Madelyn has prepared for him. Gavin does not know the type and amount of inventory to order until Madelyn provides him with the forecast that she has prepared. Therefore, Gavin and Madelyn's work activities are interdependent—they must work together and coordinate their work efforts to achieve the business's goals. Unpacking a shipment, placing the items on shelves, and reviewing a monthly financial report are not situations that indicate employees are coordinating their work efforts. Sarah and Shelley are working independently rather than coordinating their efforts.
SOURCE: OP:230
SOURCE: Schwarz, R. (2017, March 23). *Is your team coordinating too much, or not enough?* Retrieved November 13, 2017, from https://hbr.org/2017/03/is-your-team-coordinating-too-much-or-not-enough

63. C
Be specific about what tasks need to be done and when they are due. Charlotte should be specific about the tasks that need to be done so that her employees will not be confused. She should also be sure to let them know when their tasks should be done. Charlotte should not do the work herself or watch her employees as they work; this is not effective delegation. Charlotte should only accept work she is fully satisfied with.
SOURCE: OP:354
SOURCE: MindTools. (n.d.). *Successful delegation.* Retrieved November 17, 2017, from https://www.mindtools.com/pages/article/newLDR_98.htm

64. A

It involves the coordination of multiple activities. A project is any type of task that has a distinct beginning and end. Project management is the process of planning, scheduling, and monitoring the progress of a project to achieve a specific goal. To achieve the project goal, the project manager must coordinate the human and financial resources, equipment, and supplies to carry out the project's activities or tasks. Projects can be simple or complex and do not always require a signed contract from stakeholders.
SOURCE: OP:158
SOURCE: LAP-OP-006—Projected to Win (Nature of Project Management)

65. C

What level of expertise is required to complete each deliverable? When identifying resources, project managers must ask what level of expertise is needed, so they can know what human resources will be required. Asking what might go wrong with a project pertains to risk management. Asking who is approved to authorize changes to the project plan pertains to change management. Asking about communication pertains to the communications plan.
SOURCE: OP:001
SOURCE: LAP-OP-007—Chart Your Course (Developing a Project Plan)

66. A

Reorder point. The reorder point is the level of inventory at which the business needs to place a reorder with the vendor to replenish the inventory, which prevents stock-out situations. The business considers the normal demand for the product, its safety stock, and the vendor's lead time to determine the reorder point of a particular item. Profit margin, buyer's preferences, and accounts receivable are not primary factors that a business considers when it determines when to place a reorder for a regularly stocked item.
SOURCE: OP:016
SOURCE: Tradegecko. (2017). *Reorder point (ROP) calculator - Know when to reorder.* Retrieved November 13, 2017, from https://www.tradegecko.com/learning-center/reorder-point-formula-calculation

67. C

Clarify any bidders' concerns. A pre-bid meeting is a formal meeting that gives bidders a chance to clarify any concerns with the scope of work, documents, and other details. The pre-bid meeting is usually open to all bidders or a pre-qualified group of bidders. It is not used to filter out potential bidders. The purpose of the pre-bid meeting is not to strengthen relationships. Finally, a request for an extension may come out of a pre-bid meeting, but this is not the only reason for these meetings to occur.
SOURCE: OP:160
SOURCE: Lynch, J. (2015, June 20). *Pre-bid meetings and site visits.* Retrieved November 13, 2017, from http://procurementclassroom.com/pre-bid-meetings-and-site-visits/

68. B

Shipping requirements. A regular or stock purchase order should include all of the necessary information for processing the request, which includes the appropriate quantities and prices of the desired goods. The purchase order should provide the shipping location at the desired time for delivery. In some situations, the buyer may also include the desired shipment method on the purchase order. For example, a business that orders a standard part to repair a piece of equipment may want the part shipped by air to ensure that it receives the part quickly. If the business does not indicate that it needs the item quickly, the vendor may ship it by rail or truck, which would take longer to deliver. Unless the order is a drop shipment, the vendor does not need to know the location of the buyer's customer. The invoice is processed by the vendor rather than the buyer; therefore, the buyer would not provide an invoice code or number. The buyer might need to provide the supplier with credit references from their other vendors if company is placing an initial order; however, this information is not necessary to provide on regular purchase orders. In most cases, the buyer must complete a different form to list credit references.
SOURCE: OP:250
SOURCE: Loi, K. (2017, October 26). *All you ever need to know about purchase orders.* Retrieved November 13, 2017, from https://blog.procurify.com/2013/09/23/all-you-ever-needed-to-know-about-purchase-orders/

69. A
The vendor will pay shipping charges to the national park's gift shop. F.O.B. stands for free (or freight) on board. If terms are F.O.B. shipping point, the buyer pays shipping charges from the point where they are first picked up by the shipping company. If the terms are F.O.B. destination, the vendor is responsible for paying the shipping charges until the goods reach their final destination. In this case, that is the national park's gift shop. Although the park is a government agency, it is still responsible for paying shipping charges. Shipping charges are paid by the vendor or the buyer—not by the shipping company.
SOURCE: OP:184
SOURCE: Brechner, R. (2009). *Contemporary mathematics for business and consumers: Annotated instructor's edition* (5th ed.) [p. 205]. Mason, OH: South-Western Cengage Learning.

70. C
Encrypting the information. Encryption is the only method that makes data unreadable to unauthorized users. Installing antivirus software, creating strong passwords, and posting a security policy are all effective means to protect digital customer data, but only encryption makes the information completely unreadable to all unauthorized users.
SOURCE: OP:518
SOURCE: Parker, T. (2017). *How to protect your customer data from theft.* Retrieved November 17, 2017, from http://quickbooks.intuit.com/r/technology-and-security/how-to-protect-your-customer-data-from-theft

71. C
Terrorism. The current rise in terrorist activity is an employee safety issue in the hospitality and tourism industry. The industry is aware of the threat, but terrorism is difficult to control. Most hospitality and tourism businesses explain the issue to employees and take measures to keep employees away from potentially unsafe areas. However, it is virtually impossible for the industry to prevent the threat of terrorism because it is beyond the industry's control. Robbery is a safety issue; however, the hospitality and tourism industry has procedures to follow to reduce the risk and keep employees safe. Fraud is a security issue that involves a deception purposely carried out to secure unfair or unlawful gain. Liability is the industry's responsibility for the safety of its employees.
SOURCE: OP:058
SOURCE: Braver, J. (2016, January 22). *Upsurge in global terrorism is a red flag for hospitality industry.* Retrieved November 13, 2017, from https://ehotelier.com/insights/2016/01/22/upsurge-in-global-terrorism-is-a-red-flag-for-hospitality-industry/

72. A
Assist with evacuation. On occasion, tour operators and their tour groups might be involved in emergency situations such as natural disasters. If this happens, tour operators should be prepared to assist local authorities with the evacuation of the group. Tour operators need to know where all group members are in order to quickly and safely evacuate them from dangerous situations such as hurricanes. Tour operators are not expected to provide medical advice, protect private property, or activate alarm systems.
SOURCE: OP:119
SOURCE: Reynolds, J.S. (2010). *Hospitality services: Food & lodging* (2nd ed.) [pp. 454-456]. Tinley Park, IL: Goodheart-Willcox Company.

73. A
Electronic key cards. These offer excellent security for hotel guests as they do not contain a hotel room number, so that if one is lost or stolen it cannot be easily traced. Metal detectors are used in airports to check passengers entering boarding areas. Retailers use radio frequency identification tags, which are attached to expensive merchandise, to reduce the risk of shoplifting. A property management system is used to store information about reservations, room availability, and room rates.
SOURCE: OP:115
SOURCE: McGoey, C. (1996-2017). *Hotel security as a guest amenity.* Retrieved November 13, 2017, from http://www.crimedoctor.com/hotel-security-1.htm

74. D
Innovation helps the economy. Innovation is important because it helps the economy. Innovation creates new products and services that, in turn, create new jobs. Innovation can help a business succeed, but it does not guarantee success. In fact, innovation carries a risk of failure. Innovation does not eliminate competition, but it does give an innovative company a competitive advantage. Innovation doesn't necessarily lead to creativity; instead, creativity is more likely to lead to innovation. Innovation involves the process of putting creative ideas into action.
SOURCE: PD:126
SOURCE: LAP-PD-126—Ideas in Action (Innovation Skills)

75. C
Learn to be on time. Billie needs to learn to be on time so she can stick to her schedule. Her problem doesn't have anything to do with knowing when and how she works best, knowing how to make the most of her "down time," or focusing on goals rather than tasks.
SOURCE: PD:019
SOURCE: LAP-PD-019—About Time (Time Management Skills)

76. B
Reinforce your interest in the position. It is a courteous gesture to write a follow-up letter to thank the interviewer for the opportunity to discuss the job. The letter may include information that you may have forgotten to share with the interviewer. Letting the interviewer know that you are interested in the position when closing the letter can help reinforce a positive image and help the interviewer to remember you. Communicating your minimum salary requirements and your desire for promotion are not appropriate topics for a follow-up letter and may hinder job offers. Interviewers read résumés before setting up interviews with job applicants.
SOURCE: PD:029
SOURCE: Purdue OWL. (2010, April 25). *Follow-up to an interview.* Retrieved November 13, 2017, from https://owl.english.purdue.edu/owl/resource/634/03

77. A
Yes. Businesses in the hospitality and tourism industry can start small and expand. There are lots of opportunities for people to dream and actualize those dreams when they open their businesses. Not all hospitality and tourism businesses start out as large companies—many are one-person operations and are not part of a franchise. Most hospitality and tourism businesses are started with the owner's debt or equity financing rather than with state funding.
SOURCE: PD:272
SOURCE: Walker, J.R. (2009). *Introduction to hospitality* (5th ed.) [p. 6]. Upper Saddle River, NJ: Pearson Prentice Hall.

78. B
Initiative. Workers who show initiative are willing to act without having to be told to do so. They are willing to accept or seek additional duties, which often exceed their employers' expectations. Workers who are competent and show initiative are often promoted to positions that give them more responsibility. Although courage, self-confidence, and self-control are admirable qualities that often lead to career advancement, these traits are not related to accepting additional work and working without a lot of direction.
SOURCE: PD:035
SOURCE: Kostanyan, A. (2014, October 15). *9 ways to take more initiative at work.* Retrieved November 13, 2017, from https://www.fastcompany.com/3037092/9-ways-to-take-more-initiative-at-work

79. D

Help the business achieve its organizational goals. A business must hire employees who have the skills to carry out the tasks that are needed to achieve its organizational goals. Without the appropriate skills, the business will not run efficiently and compete effectively in the marketplace, which is likely to result in financial losses. Hiring skilled employees will not help a business determine funding needs or analyze profit margins. Managers, rather than employees, set the business's organizational standards.

SOURCE:　PD:255

SOURCE:　SHRM. (2015, September 14). *Aligning workforce strategies with business objectives*. Retrieved November 13, 2017, from https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/aligningworkforcestrategies.aspx

80. C

Transportation. The development of rail, automobile, and air travel in the past 150 years has had the most impact on the growth in the hospitality arena. Business and leisure travel has dramatically expanded because the time, comfort, and ease of travel has improved. This, in turn, creates a demand for facilities to house a wide variety of travelers. The retail, lumber, and banking industries would be impacted by growth or decline of the hospitality industry. The higher demand for hospitality services would naturally result in a higher demand for financial backing, building materials for the facilities, and retail establishments for travelers.

SOURCE:　PD:105

SOURCE:　Westcott, M. (2015). *Introduction to tourism and hospitality in BC: Chapter 2. Transportation.* Retrieved November 13, 2017, from http://opentextbc.ca/introtourism/chapter/chapter-2-transportation/

81. C

Event management. Destination marketers "sell" locations to clients. In many cases, destination marketers are trying to obtain convention or meeting business for a community. Other segments in event management include convention and visitors bureaus and event planning. The travel and tourism segment consists of air, cruise ships, online travel services, rail, bus, car, and tourism. Recreation consists of attractions, gaming, theme parks, clubs, and recreational activities. Restaurants and managed services include full-service restaurants; casual dining; dinner house restaurants; and food operations for institutions, government agencies, airlines, and businesses.

SOURCE:　PD:111

SOURCE:　Walker, J.R. (2009). *Introduction to hospitality* (5th ed.) [p. 7]. Upper Saddle River, NJ: Pearson Prentice Hall.

82. C

Quality. Customers often associate price with quality. For example, customers assume if the price of a hotel room is high, that the quality is high. Full-service hotels that provide upscale services and amenities usually charge high rates for their rooms because guests expect to pay high prices for the quality services. High prices are realistic to guests who stay in full-service hotels. If the hotels lowered their prices, guests might not stay there because the rates are lower than expected, and they might assume that the quality is also low. Guests of full-service hotels do not associate high prices with value or economy. Supply is the quantity of a good or service that sellers are able and willing to offer for sale at a specified price in a given time period.

SOURCE:　PI:001

SOURCE:　LAP-PI-002—The Price Is Right (Nature of Pricing)

83. B

Costs. To survive, businesses must cover their costs. Therefore, the lowest price is determined by the businesses' costs. Demand, on the other hand, determines the high end of what businesses can charge. Although government regulation and consumer perceptions of value are factors that impact prices, they do not determine the limits of prices.

SOURCE:　PI:039

SOURCE:　Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [pp. 294-295]. Upper Saddle River, NJ: Prentice Hall.

84. D
Guarantee on service. Holiday Inn Express is a pure service-provider. Its guests buy the intangible item of lodging. A guarantee is a promise by the seller to the customer that the seller will refund the customer's purchase price if the product does not perform as expected. Therefore, the statement "No excuses, guaranteed" is an example of a guarantee on a service. A warranty is a promise made by the seller to the customer that the seller will repair or replace a product that does not perform as expected. Goods are tangible items.
SOURCE: PM:020
SOURCE: LAP-PM-004—Promises, Promises (Warranties and Guarantees)

85. B
Expansion. When a business adds product items or lines to its product mix, it is using the product-mix strategy of expansion. Contraction is a product-mix strategy in which a business removes, or deletes, product items or product lines from its product mix. Alteration is a product-mix strategy in which a business makes changes to its products or product lines. Trading up is a product-mix strategy in which a business adds higher-priced product items or lines to its mix.
SOURCE: PM:003
SOURCE: LAP-PM-003—Mix & Match (Nature of the Product Mix)

86. A
Bottle of conditioner. Product bundling involves combining two or more complementary products and selling them for one all-inclusive price. The price of the bundled products is usually lower than the combined price of the products sold separately. Often, the goal is to get customers to try a product that they might not have considered purchasing. Once the customers have tried it and liked the product, companies hope that customers will purchase the goods or services at another time. It would be most appropriate to bundle a bottle of shampoo with a bottle of conditioner because they are both hair products. A bottle of hand lotion, a bar of soap, and a tube of toothpaste are not complementary products of shampoo.
SOURCE: PM:041
SOURCE: Kerin, R.A., Hartley, S.W., & Rudelius, W. (2011). *Marketing* (10th ed.) [p. 349]. New York, NY: McGraw-Hill/Irwin.

87. A
Preference. Brand preference is the combined impressions (perceptions) and experiences associated with a particular company, good, or service. Product adoption is the point at which a consumer decides if s/he will buy a new product again. If the consumer begins to buy a product on a regular basis, s/he is developing brand loyalty. Brand preference is the stage of brand loyalty in which consumers prefer to buy a certain brand (e.g., Diet Coke) but will accept substitutes (e.g., Diet Pepsi) if the brand is not available. Brand insistence is the stage of brand loyalty in which consumers insist upon buying a specific brand and will not accept substitutes.
SOURCE: PM:021
SOURCE: PM LAP 6—It's a Brand, Brand, Brand World! (Nature of Product Branding)

88. B
We deal honestly and fairly with our customers and ourselves. A business's core values represent a business's primary values and provide the foundation on which its employees perform their work and conduct themselves. Although goals, strategies, tactics, and employees change, core values remain unchanged. Decreasing overall expenses is a goal. Demonstrating a customer service mindset is a competency or performance indicator. The use of social media is a tactic.
SOURCE: PM:214
SOURCE: National Park Service. (n.d.). *What are core values?* Retrieved November 13, 2017, from http://www.nps.gov/training/uc/whcv.htm

89. D
To develop an appropriate marketing strategy. Competitive advantage is the edge achieved by businesses that offer something better than their competitors. Businesses usually try to identify a product's competitive advantage in order to develop a marketing strategy to achieve the business's goal of selling the product to the target market. For example, a product may have a unique feature that makes it better than similar products. Businesses focus on promoting that feature when marketing the product. A business does not identify its product's competitive advantage to create a realistic trademark, evaluate the marketing research process, or to plan a distribution system.
SOURCE: PM:246
SOURCE: Sage, S. (2017). Identify your competitive advantages. Retrieved November 13, 2017, from https://onstrategyhq.com/resources/competitive-advantages/

90. B
A hospitality and tourism product includes all goods and experiences that guests encounter. In the hospitality and tourism industry, product encompasses a wide variety of things. Product includes tangible items, such as a meal in a hotel restaurant and the bed pillows in sleeping rooms. Product also includes service. Service might include facility cleanliness and the timeliness and courtesy of room service attendants. The level of amenities is also part of the guest's overall experience. Heated swimming pools, saunas, and athletic facilities often influence the level of guest satisfaction with the hotel stay. Although service is a very important part of the hospitality product, it is not necessarily true that it is the most important. For example, a restaurant might have an attentive wait staff, but without tasty food with an attractive presentation, the guest's overall experience might not be positive. Members of the hospitality and tourism industry should identify the needs and wants of the intended target market before developing a product.
SOURCE: PM:081
SOURCE: Kolter, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [p. 232]. Boston, MA: Pearson Education, Inc.

91. C
Tasting samples of the cheesecakes. To determine the flavor of the cheesecakes, the executive chef must taste the cheesecakes by eating samples of them. Photos show how the cheesecakes look rather than how they taste. The cheesecake recipes are the bakery's trade secrets, so it is unlikely that the bakery would share them with the inn's executive chef. The bakery's price per cheesecake doesn't affect the flavor of cheesecakes.
SOURCE: PM:239
SOURCE: Hayes, D.K., & Ninemeier, J.D. (2010). *Purchasing: A guide for hospitality professionals* (pp. 44-45). Upper Saddle River, NJ: Prentice Hall.

92. B
Sales promotion. This refers to any promotional activity other than advertising, publicity, and personal selling. Examples of sales promotions include displays, coupons, and sweepstakes. Advertising is the nonpersonal, paid presentation of ideas, images, goods, or services. Public relations is the process of building goodwill toward an organization. Selling refers to the planned, personalized communication made by a sales representative to influence a customer's purchase decision and enhance future business opportunities.
SOURCE: PR:082
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 405-407). Columbus, OH: Glencoe/McGraw-Hill.

93. A
Lack of integration. One challenge that an organization might face when implementing quality management is a lack of integration throughout the entire company. Unless the entire organization participates in quality management, it will not be successful. Specific goals and plans are a good thing when it comes to quality management! A lack of money in the budget might be a challenge, but a budget surplus would also be good. Laws and regulations usually do not keep organizations from pursuing quality management.
SOURCE: QM:001
SOURCE: LAP-QM-001—Keep It Quality (Nature of Quality Management)

94. A
They typically lead to big gains. Breakthrough improvements lead to big gains and are often dramatic. They are usually not as predictable as incremental improvements. Incremental improvements, not breakthrough improvements, happen gradually and constantly.
SOURCE: QM:003
SOURCE: Business Development Bank of Canada. (n.d.*). 5 simple ways to build continuous improvement into your business.* Retrieved November 17, 2017, from https://www.bdc.ca/en/articles-tools/operations/operational-efficiency/pages/continuous-improvement.aspx?PATH=/EN/advice_centre/ask_professionnal/Pages/continuous_improvement.aspx

95. C
Hiring a family member who lacks necessary job skills. Nepotism is the practice of hiring employees on the basis of the relationship between the new hire and an employee. Hiring a family member who doesn't possess the skills to perform the job is an example of nepotism. When the family member does not have the appropriate skills to perform the job, it presents an ethical issue (favoritism) and can increase the business's financial risk. The business is paying someone who cannot perform the work efficiently, which means the business isn't getting the most for its payroll dollars. In addition, if the new hire does not have the skills to run equipment safely, s/he is more likely to break equipment or cause injury. As long as the activities are legal and do not harm others, communicating business information to customers, developing processes to test product durability, and striving to achieve higher sales than coworkers are ethical actions.
SOURCE: RM:041
SOURCE: Boone, G., & Kurtz, D.L. (2009). *Contemporary marketing 2009* (p. 101). Mason, OH: South-Western Cengage Learning.

96. B
Enterprise risk management system. An enterprise risk management system allows a company to plan, organize, lead, and control the risk at every level of an organization. Supply chain management risk software would only apply to supply chain operations. A management information system is integrated technology that assists with an organization's information management needs. An information security system protects information from unauthorized access.
SOURCE: RM:042
SOURCE: DeLoach, J. (2011, June 30). *What is ERM and why is it important?* Retrieved November 17, 2017, from http://www.corporatecomplianceinsights.com/what-is-erm-and-why-is-it-important/

97. A
Sexual harassment. Sexual harassment involves unwelcomed sexual remarks, advances, conduct, or requests. By providing employees with training about actions and language that constitute sexual harassment, employees are less likely to behave inappropriately. If a firm does not follow up or take action on an employee's sexual harassment complaint, the employee may sue the firm. Lawsuits can damage the firm's reputation and cost the firm a lot of money. Gender-related issues are not related to religious preferences, intellectual property, or financial misconduct.
SOURCE: RM:043
SOURCE: Carter, S. (n.d.). *Preventing sexual harassment in the workplace.* Retrieved November 17, 2017, from http://www.roughnotes.com/rnmagazine/search/management/08_08P070.htm

98. C
Comfort. Some people prefer traveling to familiar places, which in turn, provides comfort. Adventure seekers tend to enjoy visiting different locations and participating in a variety of activities. The situation does not provide enough information to determine if price or prestige play role in the travel motives or decisions.
SOURCE: SE:220
SOURCE: Kolter, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 164-170]. Boston, MA: Pearson Education, Inc.

99. A

To increase the number of families dining at Big Roy. Although Big Roy is potentially selling the gift certificates at a huge loss ($25.00 in gift certificates for $3.99), the restaurant expects to more than cover this loss through future sales. Big Roy is anticipating that when a child receives one of these gift certificates, her/his entire family will accompany the child to Big Roy. The restaurant's overall sales among families will increase because the child's parents will purchase meals for themselves and possibly dessert for everyone in the family. The restaurant's primary motivation is not likely to be to publicize its cakes and pies, feed underprivileged children, or generate any initial profit from the sale of each packet of gift certificates.

SOURCE: SE:479

SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [pp. 412-413]. Upper Saddle River, NJ: Prentice Hall.

100. A

$586.24. To calculate the amount charged to the hotel guest's credit card, first multiply the number of nights stayed by the room rate (4 X $128 = $512). Then, multiply the dollar amount of the four-night stay by the sales tax rate ($512 X 114.5% = $586.24) or ($512 X 14.5% or .145 = $74.24; $512 + $74.24 = $586.24).

SOURCE: SE:329

SOURCE: Eliot, A. (2017, February 8). *How to calculate hotel tax.* Retrieved November 14, 2017, from http://traveltips.usatoday.com/calculate-hotel-tax-61990.html