



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

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

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1. Hexon Corporation recently signed a contract with Peabody Computers agreeing to purchase 5,000 of the manufacturer's laptops. Before the laptops were paid for, however, a competing computer manufacturer offered to sell 5,000 laptops to Hexon Corporation for a much lower price. The competing company, ABC Computing, knew that Hexon Corporation had already signed a contract with Peabody—but ABC made a competing offer anyway. Hexon Corporation backed out of the Peabody contract and took the more attractive offer. What tort did ABC Computing commit?
 - A. Negligence
 - B. Intrusion
 - C. Commercial exploitation
 - D. Interference with a contract

2. To prove that a contract was breached, you must verify that
 - A. the breach has already occurred.
 - B. more than two parties were involved.
 - C. you lost money.
 - D. no one is responsible.

3. A community experiences an increase in food and beverage taxes. How is the tax increase likely to impact the hospitality industry in the community?
 - A. Hotels have more unoccupied rooms because consumers have less discretionary income.
 - B. The tax increase forces hotels to increase their room rates on a seasonal basis.
 - C. Hotel restaurants and banquet facilities generally increase the prices of their products.
 - D. Most hospitality businesses are not affected by changes in taxation rates.

4. A guest falls and breaks his/her wrist after tripping over an extension cord while walking through the Marston Hotel's lobby. In this situation, the hotel may be responsible for paying the guest's medical bills due to
 - A. privacy breaches.
 - B. fraudulent behavior.
 - C. failure to restrain.
 - D. negligence.

5. Adnan wants to be sure that he understands everything his boss is saying in their meeting. He looks directly at his boss, nods occasionally, asks clarifying questions, and paraphrases his boss's comments. Adnan is engaging in
 - A. passive listening.
 - B. active speaking.
 - C. active listening.
 - D. passive speaking.

6. When Dawn answered the front desk telephone at her property, a female caller who sounded very upset said, "My daughter, Susan Smith, is staying at your hotel, and I need to reach her immediately because of a family emergency. Would you please give me her room number?" Dawn quickly answered, "Ms. Smith is in room 224. I'll connect you." What did Dawn do wrong?
 - A. She told the caller that she would transfer the call quickly.
 - B. She didn't forward the caller to the guest's voicemail.
 - C. She gave out a guest's room number.
 - D. She didn't answer the caller with enough courtesy.

7. Which of the following forms of nonverbal communication is most likely to be ineffective during a presentation:
 - A. Smiling
 - B. Pointing
 - C. Talking with your hands
 - D. Swaying from side to side

8. When someone says that a business has positive relations with its internal customers, the person most likely means the business has
 - A. satisfied customers.
 - B. strong managers.
 - C. updated technology.
 - D. happy employees.

9. When a customer has received inaccurate or insufficient information about a product, the complaint usually applies to
 - A. the product.
 - B. advertisers.
 - C. personnel.
 - D. the business itself.

10. An effective way to resolve customer complaints in the hospitality and tourism industry is to
 - A. maintain an authoritative attitude.
 - B. be aware of common triggers of conflict.
 - C. understand what guests truly want.
 - D. escalate conflict to upper management.

11. When Izzy spilled lemonade in a customer's lap, she apologized and brought out another lemonade to replace it. The customer was still unhappy and told Izzy that he wouldn't be returning to the restaurant. What should Izzy have done to recover in this situation?
 - A. Offered the customer an iced tea instead
 - B. Explained to the customer why he was being unreasonable
 - C. Avoided the customer and sent out a different server
 - D. Offered the customer a restaurant gift card

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

13. Under what circumstances might it be impossible to honor a customer's request?
 - A. If the request jeopardizes the safety of others
 - B. If the customer is impolite and demanding
 - C. If the request is unrelated to the customer's health
 - D. If the customer is new to the company

14. 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. Expand the restaurant to accommodate more tables
 - B. Only accept customers who have a reservation
 - C. Offer discounts for customers to come back another time
 - D. Add a consumer-participation option such as a salad bar

15. 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

16. Which of the following is affected by consumers' decisions to buy or not to buy:
 - A. State of democracy
 - B. Condition of society
 - C. Level of government
 - D. Health of economy

17. How do supply and demand interact to influence price?
 - A. When supply exceeds demand, producers will lower prices to sell excess supply.
 - B. When demand exceeds supply, producers will begin a process called rationing.
 - C. When demand exceeds supply, producers will lower prices to satisfy customers.
 - D. When supply exceeds demand, producers will set a relative price.

18. Which of the following types of taxes would guests pay on hotel bills:
 - A. Estate tax
 - B. Income tax
 - C. Occupancy tax
 - D. Property tax

19. Which of the following terms are related to the concept of productivity:
 - A. Inputs and outputs
 - B. Supply and demand
 - C. Profit and loss
 - D. Competition and monopoly

20. There are six workers employed by a manufacturer. Over the course of six months, the manufacturer hires a new worker every month, so that at the end of the hiring period there are 12 workers total. The total output increased dramatically with the hiring of the first two workers. It increased less dramatically with each new hiring after the first two. This is an example of the law of diminishing
- A. output.
 - B. production.
 - C. returns.
 - D. utility.
21. The exchange rate of a nation's currency is most likely to decrease when the nation
- A. limits the amount of money it prints.
 - B. exports more than it imports.
 - C. carries a low level of debt.
 - D. experiences political instability.
22. Which of the following is an ethical dilemma:
- A. Deciding whether or not to cheat
 - B. Choosing between two winter coats
 - C. Deciding what to have for lunch
 - D. Choosing which movie to see
23. Even though criticism may be unpleasant to hear, you can benefit from it in the future if you
- A. learn to ignore others' critical remarks.
 - B. change any of your behavior that needs improvement.
 - C. change yourself to conform to others' suggestions.
 - D. learn not to take criticism seriously.
24. How can companies best listen to and engage their customers through social media?
- A. By viewing popular social networking sites for trends and messages
 - B. By responding to customers' interests and questions on social networks
 - C. By creating a blog and regularly posting articles of interest to customers
 - D. By regularly tweeting and posting about new company developments
25. When an audience member raises an objection, you should
- A. pretend that you didn't hear him/her.
 - B. maintain your composure.
 - C. attempt to change the subject.
 - D. explain that s/he is wrong.
26. Pat was listening to the training lecture, but there was a part of the lecture that he did not understand. Pat asked the teacher to clarify that point. What kind of behavior is Pat demonstrating?
- A. Avoidance
 - B. Offensive
 - C. Verbal, assertive
 - D. Nonverbal, assertive
27. It's important to remain calm and objective when confronting a conflict because
- A. it shows the other person that you're right.
 - B. it shows that you value the other person's opinions.
 - C. it helps you take a break from the situation.
 - D. it establishes boundaries or guidelines.
28. Which of the following people is more likely to challenge the status quo:
- A. A person who uses critical thinking to evaluate a situation
 - B. A person who views old ways as superior
 - C. A person who is benefiting from the current situation
 - D. A person who always follows the crowd
29. Emily and Becca are team members at work. Emily is married, lives on a farm, and likes sewing and doing puzzles. Becca is single, lives in the city, and enjoys snow skiing and running in marathons. The coworkers' differences are based on
- A. age.
 - B. lifestyles.
 - C. education.
 - D. personality.

30. To provide transparency for investors and customers, entrepreneurs should
- A. use personal money for business purposes.
 - B. separate their business and personal finances.
 - C. use business money for personal purposes.
 - D. open a joint bank account for all employees.
31. When Brandon lost his job due to downsizing, the government sent him an unemployment check to help him cover his living expenses until he found another job. What is Brandon's source of income?
- A. Transfer payment
 - B. Rebate
 - C. Refund
 - D. Wage garnishment
32. Which amount listed on a paycheck stub represents an employee's actual take-home pay?
- A. Net pay
 - B. Gross pay
 - C. Overtime pay
 - D. Regular pay
33. John loaned money to the federal government for a specific period of time, and in return he will earn interest on the loaned funds. John invested in a(n)
- A. mutual fund.
 - B. stock.
 - C. bond.
 - D. IRA.
34. A creditor is most likely to examine a business's financial accounting records if the business is
- A. applying for a bank loan.
 - B. selecting a new market.
 - C. using cash accounting.
 - D. complying with regulations.
35. One of the reasons why businesses establish cash-control procedures is to
- A. prevent loss.
 - B. reduce depreciation.
 - C. monitor debt.
 - D. estimate income.
36. When unethical decisions come from the top of an organization, it is difficult to go against them. This is an example of
- A. obedience to authority.
 - B. short-term gratification.
 - C. sunk costs.
 - D. overconfidence.
37. What is an advantage of a rolling budget?
- A. There is always a year-long plan in place.
 - B. Managers must demonstrate a need for all expenses.
 - C. The master budget is made up of specialized budgets.
 - D. The rolling budget eliminates all variances.
38. The current price of Sun Valley Corporation stock is \$25 per share. The company has one million outstanding shares. On its latest cash flow statement, the corporation reported cash flows from operating activities of \$15 million. Calculate the corporation's price-to-cash flow ratio.
- A. 1.67
 - B. 2.34
 - C. 5.48
 - D. 3.21
39. Changes in accounts receivable are reflected in
- A. cash from operations.
 - B. investing.
 - C. financing.
 - D. net income.
40. Noreen, a human resources manager, wants to find applicants for several job openings at her company. She attends job fairs, places ads online, and partners with an outside employment agency. This aspect of staffing is known as
- A. onboarding activities.
 - B. interviewing.
 - C. orientation.
 - D. recruitment.

41. Why is it essential for a company to have firm policies concerning discriminatory behavior?
- A. To eliminate discriminatory attitudes
 - B. To promote diversity
 - C. To eliminate workplace violence
 - D. To reduce diversity
42. A business captures its employees' knowledge of certain tasks, processes, and events by developing a chart that outlines the relationships among bits of information. This is an example of a business using a(n) _____ technique to capture and transfer knowledge.
- A. statistical
 - B. authority-based
 - C. diagram
 - D. transcription
43. You've visited a certain frozen yogurt shop before, and you didn't like it. Now, your friends want to go there, and you don't want to join them. Your buying behavior is being influenced by a(n)
- A. special occasion.
 - B. opinion leader.
 - C. expectation.
 - D. cultural norm.
44. Busy mothers have been identified as frequent consumers of energy drinks. This is an example of behavioral market segmentation based on
- A. occasion response.
 - B. loyalty response.
 - C. rate of use.
 - D. economic status.
45. A business keeps a lot of customer information on file. To collect and store this information ethically, the business should be sure that the information
- A. features subjective language.
 - B. contains only necessary data.
 - C. is kept on a public computer.
 - D. is shared with everyone in the company.
46. A company's computer network allows many users to access the same programs on different computer units throughout the company. What type of computer operating system is the company using?
- A. Multithreading
 - B. Multiprocessing
 - C. Augmented
 - D. Hosted
47. To increase efficiency among channel members, which type of software allows for the secure transfer of information via the Internet:
- A. Client network
 - B. Intranet system
 - C. Internet service provider
 - D. Virtual private network
48. What should businesses try to achieve when manipulating data for information analysis?
- A. Exploratory research
 - B. Secondary information
 - C. Program development
 - D. Accurate interpretation
49. What is the biggest drawback to using a digital recordkeeping system?
- A. It can be very time-consuming.
 - B. The records may become inaccessible.
 - C. Records can only be stored in one location.
 - D. Security is very difficult to achieve.
50. An airline executive wants to know why sales are dropping. She is most likely to need to conduct primary research if
- A. she has already exhausted her secondary research options.
 - B. no one on her team has the information she needs.
 - C. the airline has little money for research.
 - D. she has not conducted secondary research yet.
51. The manager of an event center wants to know which of the three ballrooms guests prefer. Which of the following research methods would be most effective:
- A. Hosting a focus group
 - B. Performing competitive analysis
 - C. Reviewing customer records
 - D. Tracking customer expenses

52. Which of the following types of hospitality and tourism information is most likely to be found in an online database:
- A. A restaurant's customer demographics
 - B. Customer reviews for a specific hotel
 - C. Competitors' sales data
 - D. Industry market trends
53. One of the advantages of using statistics is that individual employees' biases can't impact decision-making. That is because statistics are
- A. accurate.
 - B. affordable.
 - C. objective.
 - D. persuasive.
54. A café manager tracks the mean number of customers at hourly intervals throughout the week. What can she interpret from this statistic?
- A. How customer satisfaction relates to time
 - B. Which products are the most profitable
 - C. Which employees are the most successful
 - D. What time she needs to staff more employees
55. Before building a media presentation, you should first plan the text and illustrations for the presentation by
- A. developing a schedule.
 - B. creating a storyboard.
 - C. creating the needed slides.
 - D. planning slide transitions.
56. What trend has resulted from the desire of the hospitality and tourism industry to gain a competitive advantage by exceeding customer expectations?
- A. Increased emphasis on customer safety
 - B. Increased attention to legal issues
 - C. Increased emphasis on training
 - D. Increased attention to sustainable resources
57. Which of the following is an example of how databases help improve customer satisfaction:
- A. Hotels can customize guest room preferences.
 - B. Restaurants receive customer feedback from social media.
 - C. A variety of services can be integrated into one system.
 - D. Management can determine inventory remotely.
58. The first step in the project-planning process is to
- A. determine project costs.
 - B. determine the project's purpose and scope.
 - C. identify needed resources.
 - D. identify project deliverables.
59. Ingrid must analyze various aspects of the completed project by comparing the results with the objectives. What process is Ingrid likely to use to obtain all of the information for analysis?
- A. Productivity evaluation
 - B. Administrative appraisal
 - C. Team review
 - D. Internal audit
60. Which of the following is a way to evaluate supplier performance after the purchased goods or services have been delivered:
- A. Check the supplier's credentials.
 - B. Contact the supplier's references.
 - C. Visit the supplier's plant.
 - D. Review the invoice.
61. Which of the following is an example of an item that most likely requires a retailer to place a special order with a manufacturer:
- A. Blinds for a nonstandard-size window
 - B. Windshield wipers for a 2019 Honda Accord
 - C. A charger for a popular smartphone
 - D. A color ink cartridge for a computer printer

62. Determine if the following statement is true or false: The primary purpose of quality-control measures is to evaluate employee efficiency levels.
- A. False—the primary purpose of quality-control measures is to evaluate the degree of excellence of goods and services.
 - B. False—businesses also use quality-control measures to evaluate products, processes, and other business functions.
 - C. True—businesses must evaluate their employees' performance to ensure that they are producing high-quality goods and services.
 - D. True—employees perform the work, so they are responsible for developing and implementing product-quality measures.
63. Although the primary purpose of an invoice is to bill a customer for goods and services, invoices can also help the business monitor its customers'
- A. personal attitudes.
 - B. purchasing habits.
 - C. annual incomes.
 - D. buying motives.
64. A hotel chain purchases towels and bedding from a linens company, soaps and shampoos from a toiletries distributor, and desks and chairs from a furniture manufacturer. The hotel chain, linens company, toiletries distributor, and furniture manufacturer are all parts of a
- A. supply chain.
 - B. manufacturing flow.
 - C. logistics chain.
 - D. vendor agreement.
65. To prevent sensitive customer data from being stolen by hackers, companies should
- A. require that employees follow good password practices.
 - B. prohibit workers from accessing customer information.
 - C. ask customers to sign a waiver in case their information is stolen.
 - D. refuse to accept credit or debit cards from customers.
66. What is the best, least costly technique for an event management company to use to encourage recycling at an event?
- A. Purchase paper goods that do not need to be recycled
 - B. Require attendees to turn in solid waste following the event
 - C. Hire a waste management company to clean up the venue
 - D. Place recycling bins throughout the venue
67. While an adventure tour guide is leading a white-water rafting group, a group member falls and breaks an ankle. What are the primary provisions the guide needs to help the injured group member?
- A. Pain and allergy medication
 - B. Toolbox and flashlight
 - C. Map and compass
 - D. Medical kit and cell phone
68. A cruise ship security specialist may advise a tourist who is going ashore at a port of call to
- A. wear valuable jewelry while on shore.
 - B. travel alone instead of in an organized group.
 - C. use any of the transportation services available.
 - D. limit shore tours to ones approved by the cruise line.
69. One way companies can help improve their employees' work-life balance is by
- A. creating rigid hours that employees must be in the office.
 - B. cutting personal days and time off.
 - C. maintaining constant contact with employees after hours.
 - D. offering employees the ability to work from home.
70. To develop a professional-looking résumé, the writer should
- A. proofread the document for spelling errors.
 - B. include a photograph of himself/herself.
 - C. begin by describing his/her work history.
 - D. create interest by using colorful text.

71. Job titles like front office manager, executive housekeeper, and concierge fall under which category of hospitality and tourism careers?
- A. Lodging
 - B. Travel and tourism
 - C. Restaurants and food/beverage services
 - D. Recreation, amusements, and attractions
72. Who is most likely to report directly to a corporation's chief executive officer (CEO)?
- A. Board of directors
 - B. Regional marketing manager
 - C. Production coordinator
 - D. Vice president of finance
73. The rise of user-friendly travel booking websites such as Expedia has contributed to the declining popularity of
- A. cheap and discount cruise vacations.
 - B. brick and mortar travel agencies.
 - C. all-inclusive travel packages.
 - D. rental car programs and services.
74. Zoos, museums, and amusement parks are examples of _____ in the _____ industry.
- A. entertainment; lodging
 - B. accommodations; travel
 - C. attractions; recreation
 - D. events; tourism
75. 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.
76. Which of the following situations is most likely to cause the price of corn-based products to increase:
- A. The rate of inflation stabilizes.
 - B. The demand for corn-based products declines.
 - C. Corn producers reduce marketing activities.
 - D. A long drought damages the corn crops.
77. Product/Service management plays an important role in marketing because it affects a business's strategy to create a certain impression of a product in the minds of customers. This strategy is known as
- A. positioning.
 - B. project management.
 - C. licensing.
 - D. idea screening.
78. Which of the following is an example of product bundling:
- A. A restaurant offers a 50% discount on a steak dinner.
 - B. A hotel offers a \$200 room and a \$50 meal in the hotel restaurant for \$225.
 - C. A hotel charges a high price for its rooms so customers will think they are higher quality.
 - D. A restaurant gives out coupons for buy one, get one free entrees.
79. Jeni's Ice Creams added ice cream sandwiches to its highly successful ice cream brand. Such an addition to an existing brand is an example of
- A. brand positioning.
 - B. brand extension.
 - C. brand licensing.
 - D. co-branding.
80. What is the most effective, common way to communicate your product's core values?
- A. Through your brand
 - B. In your annual report
 - C. On your website
 - D. Through advertising
81. A company hangs a poster with its brand promise in its customer service department to make sure employees have the brand in mind. This is an example of a
- A. brand cue.
 - B. distributor brand.
 - C. logo.
 - D. touchpoint.

82. What is the core product that cruise lines provide passengers?
- A. Entertainment
 - B. Transportation
 - C. Food service
 - D. Luggage handling
83. Which of the following is an example of a hospitality company extending its product line:
- A. MNO Corporation owns a chain of upscale hotels and opens a chain of economy motels.
 - B. The Reliance Inn in Centerville is remodeling its swimming pool and adding a sauna.
 - C. The United Hotel implements wireless technology in each of its 1,000 units.
 - D. The Liberty Conference Center hires additional sales staff to accommodate sales increases.
84. What management function involves identifying qualified candidates to perform the business's work?
- A. Staffing
 - B. Leading
 - C. Persuading
 - D. Controlling
85. How does promotion in the hospitality and tourism industry differ from promotion in other industries?
- A. Hospitality and tourism businesses must market tangible as well as intangible products.
 - B. Customers are less influenced by promotions in the hospitality and tourism industry.
 - C. Promotional efforts in the hospitality and tourism industry are usually too expensive to validate.
 - D. Hospitality and tourism businesses rarely invest in promotional efforts for their brands.
86. A major hotel chain has developed a promotional mix that includes weekend price reductions and certificates entitling guests to cash discounts on lodging services and merchandise from a cooperating retailer. These are examples of what type of promotional activities?
- A. Publicity
 - B. Special incentives
 - C. Visual merchandising
 - D. Public relations promotions
87. An important aspect of Jason's job is developing better, more efficient organizational processes. The aspect of quality management in which Jason is involved is quality
- A. improvement.
 - B. assurance.
 - C. deviation.
 - D. consistency.
88. Which of the following is an internal activity that companies use to control their risk levels:
- A. Substandard equipment to save on equipment costs
 - B. Excessive inventory to meet potential customer needs
 - C. Accurate financial records
 - D. Lenient credit policies
89. Which of the following is a valid reason for performing an internal audit:
- A. To provide the framework for risk management
 - B. To demonstrate the effectiveness of risk management
 - C. To standardize the risk reporting process
 - D. To implement risk responses
90. Which of the following statements regarding the selling function is true:
- A. Selling is not personalized to the customer.
 - B. Selling is planned communication.
 - C. Selling is online communication.
 - D. Selling usually doesn't result in future purchases.
91. A restaurant server lets a customer know that a certain dessert contains pecans. This is an example of information about
- A. how a product should be used.
 - B. a product's durability.
 - C. where a product comes from.
 - D. what's in a product.

92. Which of the following components of the selling process is most likely to help reduce the amount of selling time required:
- A. Prescribing possible solutions
 - B. Discovering customer needs
 - C. Establishing relationships with customers
 - D. Creating a good impression of the business
93. A circumstance that often motivates people to select one lodging facility over another is the
- A. location of the property.
 - B. seller's personal preferences.
 - C. use of positioning strategies.
 - D. food and beverage tax rate.
94. Rebecca is a front-desk concierge at the Welcome Inn. She is helping a guest check in when he asks her if the hotel has a bar. Rebecca knows that the hotel does not have a bar but still wants to satisfy the guest's needs. What should Rebecca do?
- A. Explain the reason why there is no bar inside the hotel
 - B. Tell the guest that she wishes there was a bar inside the hotel
 - C. Recommend local bars within walking distance of the hotel
 - D. Suggest alternative activities for the guest to take part in
95. 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
96. A restaurant is featuring a two-for-one dinner special that offers the lower priced dinner for free. What amount should a server deduct from the bill if a party of three orders a \$12.99 dinner, a \$15.99 dinner, a \$10.99 dinner, three beverages at \$2.29 each, and one \$5.99 dessert?
- A. \$12.99
 - B. \$10.99
 - C. \$13.28
 - D. \$16.98
97. When Doug becomes a manager, he realizes that none of the other managers seem to interact with coworkers socially. He decides to stop attending social events with coworkers outside of a professional setting. Doug's role as a manager is being affected by
- A. the organization's finances.
 - B. company culture.
 - C. competitors.
 - D. supplier relations.
98. The core activity of managerial planning involves
- A. determining objectives.
 - B. modifying behavior.
 - C. implementing procedures.
 - D. identifying gains.
99. Promotions that convince customers to buy are especially important for _____ products.
- A. noncompetitive
 - B. competitive
 - C. new
 - D. old
100. Which of the following is the management function that focuses on matching the appropriate person with the necessary skills for a specific job:
- A. Coordinating
 - B. Interviewing
 - C. Staffing
 - D. Leading



KEY

Test Number 1222

Hospitality and Tourism Exam

Hotel and Lodging Event

Restaurant and Food Service Management Event

Travel and Tourism Event

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1. D

Interference with a contract. Tortious interference with a contract exists only if the plaintiff can establish the following four elements: There was a contract between the plaintiff and a third party, the defendant knew of the contract, the defendant induced the third party to breach the contract or made performance of the contract impossible, and there was injury to the plaintiff. ABC Computing knew about the contract between Hexon Corporation and Peabody Computers but still made a competing offer, resulting in Peabody Computers losing the sale. This is an example of tortious interference with a contract. Intrusion refers to the invasion of someone's private life, commercial exploitation refers to the use of someone's likeness or voice for commercial purposes without his/her permission, and negligence refers to harm that arises by accident. Intrusion, commercial exploitation, and negligence are not illustrated in this example.

SOURCE: BL:069

SOURCE: Laws.com (2017). *A brief overview of tort law*. Retrieved October 2, 2019, from <https://tort.laws.com/tort-law>

2. C

You lost money. To prove that a contract has been breached, you must demonstrate that the contract existed, that the contract was broken, that you lost money, and that the defendant was responsible. More than two parties do not have to be involved. You do not have to verify that the breach has already occurred; a breach can be anticipatory, meaning that the terms of the contract will not be fulfilled in time. Finally, you need to verify that the defendant is responsible, not that no one is responsible.

SOURCE: BL:002

SOURCE: Rocket Lawyer. (2016). *Breach of contract: What happens now?* Retrieved October 2, 2019, from <https://www.rocketlawyer.com/article/breach-of-contract-what-happens-now.rl>

3. C

Hotel restaurants and banquet facilities generally increase the prices of their products. When a community's leaders create legislation to increase taxes for food and beverage products, the businesses that supply the products pass the tax increase to the consumer by raising prices on the products. The types of businesses that provide food and beverage products include hotel restaurants and banquet facilities. A tax increase in a certain community does not necessarily lead to less discretionary income for all consumers of the hospitality product. If the hospitality segment in the community is comprised of more restaurants than lodging facilities, then most of the hospitality businesses in the community are affected by the tax increase. Food and beverage tax increases do not necessarily affect the price of the lodging product since some lodging facilities (e.g., economy) do not offer food and beverage products. Because some lodging facilities do not offer food and beverage product, tax increases do not necessarily force lodging facilities to increase room rates on a seasonal basis.

SOURCE: BL:065

SOURCE: Kurtz, D. (2013). *Contemporary marketing: 2013 edition* (p. 658). Mason, OH: South-Western Cengage Learning.

4. D

Negligence. If a business is negligent, it is not doing something necessary or required. Hotels must take reasonable duty of care to protect the safety of its guests and employees. If a hotel does something that breaches the duty of care, such as running an extension cord through the lobby, the hotel may be liable for negligence if a guest or employee is injured. If the court finds that the hotel acted negligently, it may require the hotel to pay for the guest's medical bills. Fraud is deception purposely carried out to secure unfair or unlawful gain. Examples of fraudulent behavior include providing inaccurate information on tax returns and money laundering. Failure to restrain often involves charges that a pet owner does not take adequate steps to prevent a domestic animal from escaping his/her care, resulting in injury to another animal or a person. Privacy breaches involve the accidental or intentional release of confidential information (e.g., guest credit card number).

SOURCE: BL:065

SOURCE: AllLaw. (2019). *Can a hotel be liable in a personal injury claim?* Retrieved October 30, 2019, from <https://www.alllaw.com/articles/nolo/personal-injury/hotel-injury-claims.html>

5. C
Active listening. Active listening involves using nonverbal cues, paraphrasing, questioning, and other techniques to let a speaker know that a message has been heard and understood. Adnan is listening actively to his boss so that he will understand everything s/he says. This is not considered passive listening, passive speaking, or active speaking.
SOURCE: CO:017
SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)
6. C
She gave out a guest's room number. Although Dawn was courteous with the caller, she was distracted by the fact that the caller seemed upset and said the call was about an emergency. In her haste to be helpful, she forgot that she should try to locate the guest, not give out her room number, even in what was described as an emergency. It was appropriate for Dawn to tell the caller that she would transfer the call and to ring the guest's room before transferring the caller to the guest's voicemail, especially in an emergency situation.
SOURCE: CO:114
SOURCE: Shelton, S. (2018, March 13). *Guest privacy policy for hotels*. Retrieved October 8, 2019, from <https://traveltips.usatoday.com/guest-privacy-policy-hotels-42253.html>
7. D
Swaying from side to side. Swaying from side to side during a presentation could be very distracting to an audience. Speakers often point, talk with their hands, or smile to add meaning to their talks.
SOURCE: CO:025
SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)
8. D
Happy employees. When someone says that a business has positive relations with its internal customers, the person means the business has happy employees. Employees are a business's internal customers, and keeping them happy is important because unhappy employees have difficulty creating and maintaining satisfied "external" customers. Positive employee relations does not necessarily relate to updated technology or strong managers.
SOURCE: CR:003
SOURCE: LAP-CR-001—Accentuate the Positive (Nature of Customer Relations)
9. C
Personnel. When a customer has received inaccurate or insufficient information about a product, the complaint usually applies to personnel. In other words, the salesperson or employee did not do her/his job correctly if the customer is still confused or has questions. Inaccurate or insufficient product information would be less likely to generate complaints about advertisers, the product, or the business itself.
SOURCE: CR:010
SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)
10. C
Understand what guests truly want. 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 necessarily need to escalate conflict to upper management.
SOURCE: CR:044
SOURCE: Friedlander, R.J. (2015, June 24). *6 guidelines for managing guest conflict and preventing bad online reviews*. Retrieved October 3, 2019, from <https://www.hospitalitynet.org/opinion/4070802.html>

11. D

Offered the customer a restaurant gift card. One of the ways to recover from a negative experience with a customer is to make amends to the customer. Doing so can help encourage the customer to return to your business, even if s/he had an issue. Offering a restaurant gift card is a great way to do this because it not only makes the customer feel heard and respected, but it also gives him/her a reason to come back. Izzy should not have explained to the customer why he was being unreasonable because this might have further upset him. Avoiding the customer and sending out a different server would not necessarily help improve the customer's experience. Finally, offering the customer an iced tea instead of a lemonade would not necessarily help because the customer did not have an issue with the lemonade itself.

SOURCE: CR:045

SOURCE: Baird Group. (2019). *Service recovery: 5 steps for making things right*. Retrieved October 3, 2019, from <http://baird-group.com/articles/service-recovery-5-steps-for-making-things-right>

12. A

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 October 3, 2019, from <https://bizfluent.com/how-8684581-greet-clients-office.html>

13. A

If the request jeopardizes the safety of others. In general, businesses should try to honor all special needs and specific requests of customers. However, if the request jeopardizes the safety of others (e.g., leaving a security checkpoint unattended), it might be impossible to honor that request. Requests should be honored even if the customer is impolite and demanding. Businesses should honor requests that are unrelated to health. Finally, whether or not a customer is new to the company is unrelated to whether or not his/her request should be honored.

SOURCE: CR:054

SOURCE: University of Louisiana at Lafayette Office of Disability Services. (2019). *Reasonable vs. unreasonable accommodations*. Retrieved October 3, 2019, from <https://disability.louisiana.edu/content/faculty-information/reasonable-unreasonable-accommodations>

14. D

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: Hall, M. (2018, January 16). *Is demand or supply more important to the economy?* Retrieved October 3, 2019, from <https://www.investopedia.com/ask/answers/040815/demand-or-supply-more-important-economy.asp>.

15. 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 publicly in a comment.

SOURCE: CR:028

SOURCE: Schiff, J.L. (2015, September 15). *7 ways social media can improve customer satisfaction*. Retrieved October 3, 2019, from <https://www.cio.com/article/2984024/7-ways-social-media-can-improve-customer-satisfaction.html>

16. D

Health of economy. The decisions of consumers to buy or not to buy determine the health of the economy. When consumers fail to buy, jobs are lost in retail and wholesale businesses. This forces producers to lay off workers. Consumers who lose their jobs are able to satisfy fewer wants because of decreased income. When consumers buy, the economy grows and prospers. Consumers' buying decisions do not affect the condition of society, the level of government, or the state of democracy.

SOURCE: EC:002

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

17. A

When supply exceeds demand, producers will lower prices to sell excess supply. Demand interacts with supply to determine prices. When supply exceeds demand, producers will lower prices to satisfy customers. Producers are in business to make a profit. They are not likely to reduce prices when demand exceeds supply. Rationing determines who gets the goods and services produced and does not affect how supply and demand interact to influence price.

SOURCE: EC:006

SOURCE: LAP-EC-012—When More Is Less (Functions of Prices)

18. C

Occupancy tax. Government has levied a tax on people occupying hotel rooms. The amount of the tax varies from location to location. Income tax is paid on a person's wages and business sales. Estate tax is paid on inherited property valued above a certain amount. Property tax is paid on land, buildings, etc., that people own.

SOURCE: EC:072

SOURCE: LAP-EC-072—Pay Your Share (Business Taxes)

19. A

Inputs and outputs. Productivity is the amount and the value of goods and services produced (outputs) from set amounts of resources (inputs). The other terms are not related to the concept of productivity. The law of supply and demand states that the supply of a good or service will increase when demand is great and decrease when demand is low. Competition is the rivalry between two or more businesses to attract scarce customer dollars. In a monopoly, a single business influences the entire production of a particular good or service. Profit is the income left once all expenses are paid, and loss is the income that is lost due to poor sales, added expenses, etc.

SOURCE: EC:013

SOURCE: LAP-EC-018—Make the Most of It (Productivity)

20. C

Returns. The marginal output gained from hiring another worker is less than it was for each previous worker hired. There is no such thing as the law of diminishing production, output, or utility.

SOURCE: EC:023

SOURCE: LAP-EC-031—Know Your Limits (Law of Diminishing Returns)

21. D
Experiences political instability. Currency exchange rates are constantly fluctuating and are affected by many factors. When a nation experiences political instability, the value of its currency tends to decrease because the nation's future is uncertain. A nation's currency value tends to increase when its exports exceed its imports, when it carries a low level of debt, and when it limits the amount of money it prints and circulates.
SOURCE: EC:100
SOURCE: LAP-EC-100—Get Your Money's Worth (Exchange Rates)
22. A
Deciding whether or not to cheat. Ethical dilemmas (also sometimes referred to as ethical situations) involve deciding whether something is right or wrong. In an ethical dilemma, if you pick the wrong choice, someone (or something) could be harmed. No one will be harmed by your coat, lunch, or movie decisions. However, cheating on a test can harm your classmates and teacher.
SOURCE: EI:124
SOURCE: LAP-EI-124—What's the Situation? (Reasons for Ethical Dilemmas)
23. B
Change any of your behavior that needs improvement. Take an objective look at criticism, decide how much is valid, and use it to improve yourself. You should never change yourself just because others suggest it; only make changes if their criticism has merit. Refusing to take criticism seriously and ignoring it are responses that may help you deal with it at the time but won't benefit you in the future.
SOURCE: EI:003
SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)
24. B
By responding to customers' interests and questions on social networks. To become engaged with its customers, a company needs to listen and respond to them. Viewing trends and messages helps a company stay informed, but it does not engage customers. Creating a blog or tweeting and posting about company developments are good ways to regularly communicate with customers who follow a company, but they do little to engage them.
SOURCE: EI:107
SOURCE: Patel, N. (2015, January 5). *How social listening can improve your marketing*. Retrieved October 2, 2019, from <http://www.socialmediaexaminer.com/social-listening-can-improve-your-marketing/>
25. B
Maintain your composure. When responding to objections, it's important to maintain your composure. You should avoid getting angry, taking personal offense to objections, telling audience members that they are wrong, or attempting to change the subject. You should never pretend that you didn't hear an objection. These responses would be inappropriate and disrespectful to your audience.
SOURCE: EI:108
SOURCE: LAP-EI-108—Do They Buy It? ("Selling" Ideas to Others)
26. C
Verbal, assertive. Verbal, assertive behavior is a confident attitude that involves the use of words, such as speaking up when you don't fully understand something or asking questions to get more information. Nonverbal, assertive behavior is a confident attitude expressed through body language. Avoidance behavior is conduct with the goal of avoiding conflict at any cost. Offensive behavior is anything that causes others to feel discomfort, embarrassment, or anger.
SOURCE: EI:008
SOURCE: LAP-EI-018—Assert Yourself (Assertiveness)

27. B

It shows that you value the other person's opinions. When you remain calm and objective, it is easier for you to avoid offending or threatening the other person. This shows him/her that you value his/her opinions. Remaining calm and objective doesn't show the other person that you're right; if you're trying to resolve a conflict, it's better to focus on solving the problem together than being right. Remaining calm and objective doesn't have anything to do with taking a break or establishing boundaries.

SOURCE: EI:015

SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)

28. A

A person who uses critical thinking to evaluate a situation. A person who uses critical thinking to consider the validity of a situation and considers various viewpoints to determine the best and most logical way of doing something is more likely to challenge the status quo. People who are benefiting from the status quo usually resist or oppose a challenge to it. People who follow the crowd or view old ways as superior are not likely to challenge the status quo.

SOURCE: EI:134

SOURCE: LAP-EI-134—Unfollow the Crowd (Challenging the Status Quo)

29. B

Lifestyles. To treat others respectfully at work, employees must understand and respect their differences, one of which is lifestyles. The ways in which people lead their daily lives create their lifestyle. Many factors define individuals' lifestyles, including the way people spend their time, the activities they pursue, and their marital status. In the example, Emily is married and Becca is single. Emily prefers to spend her free time sewing and doing puzzles, while Becca enjoys participating in athletic activities. There is not enough information provided to determine if Emily and Becca differ in age, education, and personality.

SOURCE: EI:036

SOURCE: LAP-EI-036—Everyone's Worthy (Treating Others With Dignity and Respect)

30. B

Separate their business and personal finances. The line between business life and personal life can often seem blurred for entrepreneurs, especially those that are in the initial planning stages. Money intended for business use may wind up being used for personal expenses such as rent and groceries, or vice versa. It may seem trivial if it's just a few hundred dollars, but it's important for entrepreneurs to separate their business and personal resources to ensure compliance with the law—and to provide transparency for investors and customers. Opening a joint bank account for employees, using personal money for business purposes, and using business money for personal purposes are not examples of providing transparency.

SOURCE: EN:044

SOURCE: LAP-EN-044—Ethical Excellence (Ethics in Entrepreneurship)

31. A

Transfer payment. Income is money received from outside sources. Sources of income include salaries, interest earned, dividends, rent, and transfer payments. Transfer payments are monies paid by the government in which no goods or services are received in exchange, such as welfare benefits, veterans' benefits, disaster aid, and unemployment compensation. To receive transfer payments, individuals, businesses, or jurisdictions must meet certain criteria. A rebate is a return of part of the price a customer pays for a product, usually from the product's manufacturer. A refund is a sum of money given back to individuals or businesses. Refunds are issued when an excessive amount has been paid (e.g., tax refund) or when items have been returned to a business. Wage garnishments are court-ordered initiatives that involve taking income from an employee's salary and submitting it to another person or organization. Examples of garnishments include child support and alimony.

SOURCE: FI:061

SOURCE: Segal, T. (2019). *Transfer payment*. Retrieved October 2, 2019, from <http://www.investopedia.com/terms/t/transferpayment.asp>

32. A
Net pay. Net pay represents the amount the check is written for after taxes and deductions have been subtracted. Gross pay represents the total amount earned before taxes and deductions have been subtracted. Overtime pay and regular pay represent earnings at different rates before taxes and deductions.
SOURCE: FI:068
SOURCE: Ryan, J.S. (2012). *Personal financial literacy* (2nd ed.) [pp. 62-64]. Mason, OH: South-Western Cengage Learning.
33. C
Bond. A bond is a debt investment, meaning an investor loans money to an entity which borrows the funds for a defined period of time. In return for loaning the funds, the investor receives interest at either a variable or fixed rate. When an individual buys a stock, s/he becomes a "part owner" of the business, entitling him/her to vote at shareholders' meetings and to receive profits that the company allocates to its owners. A mutual fund is a collection of stocks and bonds. When individuals invest in mutual funds, they are pooling their money with other investors, enabling them to pay a professional manager to select specific investments for the group. An IRA, or an individual retirement account, is an investing tool used by individuals to save money for retirement. IRA's can consist of a range of investment vehicles such as stocks, bonds, or mutual funds.
SOURCE: FI:077
SOURCE: LAP-FI-077—Invest for Success (Types of Investments)
34. A
Applying for a bank loan. A creditor is most likely to review a business's financial accounting records if the business is applying for a bank loan, regardless of whether the business uses the cash accounting or the accrual accounting method. The bank grants or denies the loan based on the business's financial information. If the business is profitable and will continue to be profitable, the bank will probably agree to the loan. Creditors are not likely to review a business's financial information when the business selects a new market, unless the business requests funds from the bank to target the market more effectively. While it is good for a business to comply with regulations, that doesn't necessarily mean that a creditor is going to review the business's financial records.
SOURCE: FI:085
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)
35. A
Prevent loss. Businesses develop procedures to control cash in order to prevent loss. These procedures might include training employees on how to use the cash register, and requiring that they ring up each sale on the register and give receipts to all customers. These procedures help control cash by reducing the possibility of employees accepting payment from customers without recording the sale, charging the wrong price, or giving customers too much change. Businesses do not establish cash-control procedures to reduce depreciation, monitor debt, or estimate income.
SOURCE: FI:113
SOURCE: Tatum, M., & Harris, B. (2019, September 25). *What is cash control?* Retrieved October 3, 2019, from <https://www.wisegeek.com/what-is-cash-control.htm>
36. A
Obedience to authority. Obedience to authority is the tendency to please authority figures and go along with them, even when they are being unethical. When unethical decisions come from authority figures, it can be difficult to disobey them. Short-term gratification is the pursuit of instant satisfaction rather than delaying rewards for greater long-term benefit. Sunk costs are costs that have already been incurred and cannot be recovered. Overconfidence occurs when people are overly sure in their own abilities.
SOURCE: FI:355
SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

37. A

There is always a year-long plan in place. Many businesses use rolling, or continuous, budgets. Beginning with a 12-month budget, a new month is added as each month goes by. Advantages to this system are that there is always a year-long plan in place and that a major, annual budgeting effort is avoided. In addition, rolling budgets tend to be more flexible. Zero-based budgeting requires managers to demonstrate the need for every expense instead of relying on figures from a previous period. Rolling budgets are not always zero-based budgets. While it is true that a master budget is made up of information from specialized budgets that are generated by individual departments, it is not an advantage of a rolling budget. The rolling budget does not eliminate all variances, which are the differences between budgeted amounts and actual amounts.

SOURCE: FI:106

SOURCE: LAP-FI-106—Money Tracks (Nature of Budgets)

38. A

1.67. Price-to-cash flow is a valuation ratio calculated by dividing the stock price of a company by its cash flow per share (price-to-cash flow = current stock price / cash flow per share). The price-to-cash flow ratio of a company can be compared with its competitors to see whether the company's stock is overpriced or underpriced. To calculate the Sun Valley Corporation's price-to-cash flow ratio, first calculate the cash flow per share by dividing total cash flow by the number of shares (\$15 million / \$1 million = \$15 per share). Then, divide the stock price by the cash flow per share to calculate the corporation's price-to-cash flow ratio (\$25 / \$15 = 1.67).

SOURCE: FI:541

SOURCE: Jan, O. (2019, May 31). *Price to cash flow ratio*. Retrieved October 30, 2019, from <https://xplained.com/293746/price-to-cash-flow>

39. A

Cash from operations. Cash flow includes three components by which cash enters and leaves a company: cash from operations, investing, and financing. Cash from operations includes how much cash is generated from a company's products or services. Accounts receivable is included in this section. Net income is not the same as cash flow because it also includes sales made with credit.

SOURCE: FI:541

SOURCE: Murphy, C.B. (2019, June 11). *Understanding the cash flow statement*. Retrieved October 3, 2019, from <https://www.investopedia.com/investing/what-is-a-cash-flow-statement/>

40. D

Recruitment. Recruiting is the aspect of staffing that involves seeking out and attracting qualified potential employees. The key to recruitment is finding just the right number of applicants—not enough and it may be difficult to find a qualified, well-suited candidate; too many and the process becomes lengthy and time-consuming. Interviewing happens after a list of potential candidates has been identified and the applicants who don't meet minimum requirements have been weeded out. Onboarding activities occur after an employee has been hired and can include employee orientation and various types of paperwork, like insurance, tax withholding, direct deposit, and citizenship information. Orientation varies from business to business, but it may involve giving the employee a tour of the facilities and making introductions, giving the employee information about company procedures and policies, and familiarizing the employee with his/her new work space and equipment.

SOURCE: HR:410

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

41. B

To promote diversity. Companies that have firm policies to deal with discriminatory behavior are more effective at promoting (not reducing) diversity. While policies concerning discriminatory behavior can indirectly reduce workplace violence, those policies are not likely to eliminate workplace violence completely. Company management can model positive attitudes and demonstrate the importance of diversity, but it is not always possible to change or eliminate discriminatory attitudes among employees.

SOURCE: HR:515

SOURCE: Renee, M. (2019, March 6). *Top 10 diversity issues at work*. Retrieved on October 3, 2019, from <http://smallbusiness.chron.com/top-10-diversity-issues-work-24939.html>

42. C

Diagram. A business can use many different tools to capture and transfer knowledge in an organization. By diagramming the information, the business can draw relationships and make connections among different components of information. The business can analyze the diagram to determine efficiencies and inefficiencies within the business, or it can share the acquired knowledge with employees within the organization. The example is not using authority-based, statistical, or transcription techniques to capture and transfer knowledge within an organization.

SOURCE: KM:005

SOURCE: Kingston, J.K.C. (2012, September). *Tacit knowledge: Capture, sharing, and unwritten assumptions*. Retrieved October 30, 2019, from <http://www.tlinc.com/articl310.htm>

43. C

Expectation. Your buying behavior is being influenced by an expectation, or something you anticipate to happen based on past experience. Expectations are an important part of our perceptions, or personal pictures of the world. An opinion leader is a role model. A special occasion might become a situational influence on your buying behavior. A cultural norm refers to the usual behavior in the place where you live.

SOURCE: MK:014

SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)

44. C

Rate of use. Busy mothers have been identified as frequent consumers or users of energy drinks; their rate of use is an example of shared behavior. Loyalty response refers to a consumer's preference for a particular brand. Occasion response refers to purchases that occur at specific times (e.g., birthdays, holidays). Economic status refers to a person's wealth.

SOURCE: MP:003

SOURCE: LAP-MP-003—Have We Met? (Market Identification)

45. B

Contains only necessary data. A business should only store the customer data and information that it needs. The information stored should not contain subjective language. It should be kept on a computer that is only accessible by people who need the information, and it should not be shared with everyone in the company.

SOURCE: NF:111

SOURCE: Australian Association of Social Workers. (2015, December). Information management: Social work records, records ownership and access. Retrieved October 2, 2019, from <http://www.aasw.asn.au/document/item/4680>

46. B

Multiprocessing. The computer's operating system consists of the components needed to run all of the computer applications and programs. An operating system that allows several central processing units (computers) to access a single program has multiprocessing capabilities. Multithreading capabilities allow different components of one computer program to run at the same time. Augmented and hosted are not types of operating systems.

SOURCE: NF:085

SOURCE: Beal, V. (2019). *Operating system*. Retrieved October 2, 2019, from http://www.webopedia.com/TERM/O/operating_system.html

47. D

Virtual private network. Software refers to the programs that instruct computers to perform specific operations. Software that instructs the computer to transfer certain information to specific computer systems through a secure Internet exchange is a virtual private network (VPN). When channel members' computer systems are linked together by this type of software, the necessary information (e.g., purchase orders) can be transferred quickly from one channel member to another, which increases the efficiency of the entire distribution process. An Intranet software system allows information flow among a company's employees. An Internet service provider (ISP) is a company that provides access to the Internet, usually for a fee. A client network refers to a client, usually a business, which has its own Intranet.

SOURCE: NF:106

SOURCE: Paul, I. (2017, July 6). *How - and why - you should use a VPN any time you hop on the internet*. Retrieved October 3, 2019, from <https://www.techhive.com/article/3158192/howand-why-you-should-use-a-vpn-any-time-you-hop-on-the-internet.html>

48. D

Accurate interpretation. Businesses obtain a variety of information that must be analyzed to make it useful. While manipulating the data for information analysis, businesses should try to interpret them accurately to obtain information that will answer specific marketing questions. Many times, businesses can manipulate the data to obtain the answers they want. This practice will not help them solve problems or make good decisions if they interpret the data inaccurately. Exploratory research is a method of obtaining information. Secondary information is information that has already been collected for another purpose. Businesses develop a research program before interpreting data.

SOURCE: NF:185

SOURCE: Spacey, J. (2018, August 25). *10 types of information analysis*. Retrieved October 3, 2019, from <https://simplicable.com/new/information-analysis>.

49. B

The records may become inaccessible. Digital records can become inaccessible if they are stored on old storage devices that become obsolete or decay. Digital recordkeeping takes less time to maintain than paper systems. Digital records can easily be stored in multiple locations. Security is a concern for digital records just as paper ones, but security can easily be achieved by using passwords or encryption when storing the files.

SOURCE: NF:001

SOURCE: LAP-NF-001—Record It (Business Records)

50. A

She has already exhausted her secondary research options. Primary research is that which a person or company generates on their own for their exact needs and purposes. Primary research is generally done when the needed information does not exist yet. Therefore, the airline executive should first do an exhaustive search of secondary sources before deciding to conduct primary research. Even if no one on the executive's team has the information she needs, the executive still might not need to conduct primary research because she might be able to use secondary research. If the airline has little money for research, the executive might be better off focusing on secondary research because it is cheaper than primary research.

SOURCE: NF:282

SOURCE: Destination BC. (2015). *Research guide for tourism operators*. Retrieved October 3, 2019, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>

51. C

Reviewing customer records. Customer records contain a large amount of information that can be useful to a hospitality and tourism business. If a manager of an event center wants to know which of the ballrooms is preferred, s/he can review customer records to see if one of the ballrooms is requested or booked more than others. Competitive analysis will not necessarily help the manager in this situation because s/he is not interested in competitors. A focus group would not necessarily be broad enough to provide the information that the manager needs. Finally, tracking customer expenses will not necessarily provide the information that the manager needs.

SOURCE: NF:283

SOURCE: Destination British Columbia. (2015, March). *Research guide for tourism operators*.

Retrieved October 30, 2019, from

<https://www.destinationbc.ca/getattachment/Research/Resources-for-Researchers/How-To-Guides/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf.aspx>

52. D

Industry market trends. Online databases are sources of scholarly research such as journal and news articles related to a particular topic—in this case, hospitality and tourism. In an online database, you might find information such as industry market trends. Customer reviews for a specific hotel, competitors' sales data, and a restaurant's customer demographics might be found online but would not necessarily be found in an online database.

SOURCE: NF:286

SOURCE: EBSCO Industries, Inc. (2019). *Hospitality & tourism index*. Retrieved October 3, 2019, from <https://www.ebsco.com/products/research-databases/hospitality-tourism-index>

53. C

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. (2019, February 12). *The importance of statistics in management decision making*. Retrieved October 3, 2019, from <http://smallbusiness.chron.com/importance-statistics-management-decision-making-4589.html>

54. D

What time she needs to staff more employees. Descriptive statistics such as mean (average) can be interpreted to aid in business decision-making. In this instance, the mean number of customers can help the manager interpret when she needs to staff more employees. For example, if the mean is highest between 6-9 a.m., she can decide to have two extra employees come in during that 3-hour window. The mean number of customers would not necessarily help the manager interpret which products are the most profitable, which employees are the most successful, or how customer satisfaction relates to time.

SOURCE: NF:237

SOURCE: Salleh, S. (2018, April 5). *The importance of statistics in management decision making*. Retrieved October 3, 2019, from <http://yourbusiness.azcentral.com/importance-statistics-management-decision-making-25518.html>

55. B

Creating a storyboard. Creating a storyboard helps you plan the text and illustrations for a presentation and also plan the work that will need to be done to create the presentation. Developing a schedule can help with the planning of the work but does not help plan the actual content. Creating the needed slides and planning the slide transitions can only be done after a plan for the content is developed.

SOURCE: NF:290

SOURCE: Lehman, C., & DuFrene, D. (2011). *Business communication* (16th ed.) [pp. 307-313]. Mason, OH: South-Western.

56. C

Increased emphasis on training. The hospitality and tourism industry has recognized that competing on the basis of price is not the answer for profitability. Instead, management has shifted its focus to ways that employees can provide exemplary service, thus setting a business apart from its competitors. To accomplish this, they have increased their focus on employee training. Attention to the other alternatives should help businesses gain a competitive advantage; however, they do not relate to exceeding customer expectations.

SOURCE: NF:048

SOURCE: Kelley, C. (2019). *Service excellence from the inside out*. Retrieved October 10, 2019, from <https://cayugahospitality.com/chuck-kelley/service-excellence-from-the-inside-out/>

57. A

Hotels can customize guest room preferences. A customer database allows hotels to gather guest information and preferences so they can personalize the guests' experiences. For example, if a customer purchases several soft drinks from room service, the hotel can store that information in a database and then prepare the room by stocking the mini fridge with the same soft drink upon the customer's return. While restaurants can use social media to receive feedback, they are not necessarily using a database to improve customer satisfaction when they do so. A variety of services can be integrated into one system, but this does not necessarily depend on a database; rather, it is due to hotel and restaurant management system software. Finally, while technology such as washable chips allows management to determine inventory remotely, this is also not an example of how databases help improve customer satisfaction.

SOURCE: NF:060

SOURCE: McIndoe, C. (2013, May 13). *Six technology trends revolutionizing the hospitality industry*. Retrieved October 10, 2019, from <http://www.hospitalitynet.org/news/4060662.html>

58. B

Determine the project's purpose and scope. The first step in the project-planning process is to determine the project's purpose and scope. These two components are the foundation for the entire project. Determining project costs, identifying needed resources, and identifying project deliverables are all steps that come later in the project-planning process.

SOURCE: OP:001

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

59. D

Internal audit. An audit is an evaluation of an organization, process, or project. The project manager and team members can determine its successes, strengths, problems, and weaknesses by evaluating all aspects of the project upon completion. The evaluation helps the project team develop a "lessons learned" document that can be used by teams that execute similar projects for the organization in the future. A comprehensive audit will evaluate many different activities associated with the project, including resource utilization, team productivity and performance, efficiency of processes, and stakeholders' satisfaction, which is done by comparing the objectives with the actual results.

SOURCE: OP:159

SOURCE: Row, J.R. (2019). *Performing an internal audit of your project's deliverables*. Retrieved October 2, 2019, from <http://www.brighthubpm.com/monitoring-projects/70376-the-project-deliverables-of-an-internal-audit/>

60. D

Review the invoice. One way to evaluate supplier performance after the purchased goods or services have been delivered is to review the invoice. By reviewing the invoice, a purchasing specialist can determine whether the supplier charged the agreed upon price. A purchasing specialist should contact the supplier's references, visit the supplier's plant, and/or check the supplier's credentials *before* doing business with that supplier.

SOURCE: OP:015

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

61. A

Blinds for a nonstandard-size window. A special order is a request for a custom product or a product that a vendor does not normally carry in stock. Window blinds may need to be custom made or special ordered for windows that are an unusual size. Standard replacement parts for popular items on the market are usually carried in stock and do not require special ordering.

SOURCE: OP:250

SOURCE: Delanghe, J. (2012, September 17). *Top tips for managing custom orders*. Retrieved October 3, 2019, from <https://www.etsy.com/seller-handbook/article/top-tips-for-managing-custom-orders/22821490639>

62. B

False—businesses also use quality-control measures to evaluate products, processes, and other business functions. Quality control is ensuring the degree of excellence of a good, service, process, or activity. Efficiency levels are one measure that evaluates a variety of business processes and activities, including employee efficiency levels. If employees are not performing as efficiently as they could, there could be a problem with equipment, a process, or a procedure. Governments, industries, and management develop product-quality standards.

SOURCE: OP:163

SOURCE: LAP-OP-008—Take Control (Quality-Control Measures)

63. B

Purchasing habits. An invoice is the formal, printed record of a sale that includes all necessary information of a sales transaction. The information includes the buyer, the seller, items purchased, quantities, prices, delivery date, credit, discount terms, etc. Because invoices record detailed information about sales transactions, businesses can review their invoices to analyze their customers' buying habits. By reviewing invoices, a business can determine the best-selling products and the products that are not moving, which helps the business make decisions about its product mix. Invoices do not reveal information about customers' personal attitudes, annual incomes, or buying motives.

SOURCE: OP:184

SOURCE: Burrow, J.L. (2012). *Marketing* (3rd ed.) [pp. 128-129]. Mason, OH: South-Western.

64. A

Supply chain. A supply chain is a network between a company and its suppliers to produce and distribute a specific product or service. The hotel chain purchases towels, bedding, toiletries, and furniture so that it can deliver the best possible guest experience. Manufacturing flow, logistics chain, and vendor agreement are not terms used in business to describe this type of relationship.

SOURCE: OP:443

SOURCE: Kenton, W. (2019). *Supply chain*. Retrieved October 2, 2019, from <https://www.investopedia.com/terms/s/supplychain.asp>

65. A

Require that employees follow good password practices. Good password practices, such as changing your password frequently and using a password that is at least 12 letters long, can help companies protect customer data from hackers. Companies do not need to prohibit workers from accessing customer information; however, it might be wise to limit access to those who need it for their everyday work. Asking customers to sign a waiver in case their information is stolen would be inappropriate and would likely drive customers away. Refusing to accept credit or debit cards might help prevent hackers from targeting the company, but it may be financially unrealistic to be a cash-only business.

SOURCE: OP:518

SOURCE: National Cyber Security Alliance. (2019). *Cybersecure my business: Protect*. Retrieved October 3, 2019, from <https://staysafeonline.org/cybersecure-business/protect/>

66. D

Place recycling bins throughout the venue. Many universities and businesses are using large, green recycling bins to encourage event goers to participate in recycling efforts. It's not feasible to require attendees to turn in solid waste following an event. Some attendees would, but others would resist being told what to do. Hiring a waste management company is a good technique to use; however, it's more costly than providing recycling bins. Purchasing paper products that don't need to be recycled defeats the whole purpose of encouraging recycling efforts.

SOURCE: OP:134

SOURCE: Wisconsin Department of Natural Resources. (2011). *Recycling and waste reduction at your special event*. Retrieved October 10, 2019, from <https://dnr.wi.gov/files/PDF/pubs/wa/wa1537.pdf>

67. D

Medical kit and cell phone. Medical kits should contain items needed to initiate emergency care (e.g., a splint). Depending on the location of the accident and the extent of the injury, a cell phone would be useful to call for additional help and transportation of the injured party. A toolbox, flashlight, map, and compass may be helpful but are not the primary items needed for the described situation. Most first-aid or medical kits include nonprescription pain relievers and allergy medication, but allergy medication isn't likely to be useful when treating a broken ankle.

SOURCE: OP:119

SOURCE: Brouhard, R. (2019, August 30). *Building and storing first aid kits: What should you keep in your first aid kit?* Retrieved October 3, 2019, from <https://www.verywellhealth.com/first-aid-kits-1298537>

68. D

Limit shore tours to ones approved by the cruise line. Cruise lines conduct extensive research and planning to determine the best route and destination points. The companies are familiar with many of the local tour and transportation services at the ports of call, and not all of them meet the standards of service and ethical responsibility that the cruise line or traveler expects. Therefore, tourists should use tour companies that are approved or recommended by the cruise line. This recommendation also applies to any transportation service (e.g., bus or taxi). Valuables, such as jewelry, should be locked in a safe on the ship to reduce the chance of theft onboard the ship or while on shore. For safety measures, a tourist should travel in organized groups instead of alone while on shore.

SOURCE: OP:115

SOURCE: Royal Caribbean Cruises. (2019). *Safety, security & health*. Retrieved October 3, 2019, from <http://www.rclcorporate.com/safety-security-health/>

69. D

Offering employees the ability to work from home. Employers can let employees work from home a few hours or days a week so that the employees can get things done in their personal life and work life. Cutting personal days and time off, maintaining constant contact with employees after hours, and creating rigid hours that employees must be in the office can have a negative impact on work-life balance.

SOURCE: PD:179

SOURCE: Heathfield, S.M. (2019). *How to encourage work-life balance for employees*. Retrieved October 2, 2019, from <https://www.thebalancecareers.com/top-ways-to-encourage-employee-work-balance-1919353>

70. A

Proofread the document for spelling errors. Professional-looking résumés are uncluttered, concise, and error-free. A business that receives a résumé with spelling and grammatical errors is likely to view the applicant as a person who is not concerned with detail and accuracy. Attention to detail and accuracy are usually qualities that businesses look for in job applicants. Therefore, before printing and submitting a résumé, the writer should carefully read the document to identify spelling and grammatical errors. It is also a good idea for the writer to have other people look at the résumé to ensure that s/he didn't overlook any errors. Experts recommend beginning your résumé with your name, contact information, and professional goal(s). There is some debate about whether to include a photograph of yourself in your résumé; however, most experts do not recommend including one. Using colorful text may be distracting to the reader.

SOURCE: PD:031

SOURCE: Vaas, L. (2016). *How to proofread your resume*. Retrieved October 2, 2019, from <https://www.theladders.com/career-advice/how-to-proofread-your-resume/>

71. A

Lodging. Front office manager, executive housekeeper, and concierge are all considered lodging careers. These positions do not fall under the categories of restaurants and food/beverage services; travel and tourism; or recreation, amusements, and attractions.

SOURCE: PD:272

SOURCE: LAP-PD-022—Career Opportunities in Hospitality and Tourism

72. D

Vice president of finance. The chain of command defines the level of authority and the specific individual who supervises particular employees. A hierarchical chain of command provides structure and organization for the business. Large companies often set up their chain of command by department. For example, all of the vice presidents of various departments (e.g., finance, operations, marketing, etc.) report directly to the CEO. A regional marketing manager generally reports to the vice president of marketing. The production coordinator reports to the production manager. The board of directors consists of individuals who are selected by the shareholders (owners) to manage the corporation. The CEO reports to the board of directors.

SOURCE: PD:252

SOURCE: LAP-PD-252—Don't Cheat the Chain (Following Chain of Command)

73. B

Brick and mortar travel agencies. Travel agents plan and book vacations for customers, handling everything from finding the best deals on hotels to arranging for transportation. User-friendly booking websites such as Expedia have made it easy for consumers to plan and book their own travel, reducing the need for brick and mortar travel agencies. The rise of Internet booking sites has not decreased the popularity of cheap and discount cruise vacations, all-inclusive travel packages, or rental car programs and services.

SOURCE: PD:105

SOURCE: Peterson, L. (2019, March 19). *Impact of technology on the travel agency business*. Retrieved October 10, 2019, from <http://smallbusiness.chron.com/impact-technology-travel-agency-business-57750.html>

74. C

Attractions; recreation. The hospitality industry provides services to people who are away from home. The recreation industry, which is a segment of the hospitality industry, provides services designed to provide rest, relaxation, and enjoyment. Zoos, museums, and amusement parks are attractions that are designed to provide visitors with enjoyment. Entertainment businesses, which are also a part of the recreation industry, include movie theaters, concerts, and plays. The lodging industry consists of businesses (e.g., hotels, motels, and resorts) that provide sleeping accommodations for travelers. Travel businesses (e.g., airlines and car rental companies) provide transportation. The tourism industry consists of businesses (e.g., tour operators, convention planners, and travel agencies) that promote travel for business and leisure. Events are special or planned occurrences and include occasions such as weddings, birthday parties, and fundraisers.

SOURCE: PD:111

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 7-12]. Tinley Park, IL: Goodheart-Willcox.

75. 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)

76. D

A long drought damages the corn crops. Crop damage yields less corn, which decreases the supply available to meet demand. When demand is greater than supply, prices tend to increase. Because many types of products contain corn, their prices typically go up as well. If the corn supply is high and demand for it declines, the price of corn tends to decrease. Low or stable inflation would not cause the price of corn to increase. Reduced marketing activities are unlikely to drive up the price of corn.

SOURCE: PI:001

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

77. A

Positioning. Positioning is a strategy in which a business creates a certain image or impression of a product in the minds of consumers. Product/Service management affects positioning; therefore, it plays an important role in a company's overall marketing success. Project management is the oversight of an entire project from start to finish. Licensing is a business structure that requires the authorization or permission from an owner to another entity to use trademarked, copyrighted (e.g., logo, name), or patented material for a specific activity, during a specific time period, for the profit of both parties. Idea screening involves reviewing ideas in order to make a decision as to what should be kept and what should be discarded.

SOURCE: PM:001

SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

78. B

A hotel offers a \$200 room and a \$50 meal in the hotel restaurant for \$225. Bundling is a marketing strategy that involves offering several products for sale as one combined product. The hotel in the example offers a \$200 room and a \$50 meal in the hotel restaurant for \$225. A restaurant offering a discount or giving out coupons for buy one, get one free entrees are not examples of bundling. A hotel charging a high price for its rooms so customers will think they are higher quality is an example of prestige pricing.

SOURCE: PM:041

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 373]. Tinley Park, IL: The Goodheart-Willcox Co.

79. B

Brand extension. When a company uses an existing brand name for a new product line, it is known as a brand extension. Brand positioning is a brand strategy in which marketers create a certain image or impression of a brand as compared to those of competitors' brands. Brand licensing allows one company to use another's brand name, logo, or character for a fee. Co-branding takes place when companies join forces to increase recognition, customer loyalty, and sales for both brands.

SOURCE: PM:021

SOURCE: LAP-PM-006—It's a Brand, Brand, Brand World! (Nature of Product Branding)

80. A

Through your brand. Your product's core values are the beliefs or qualities that the product—and your entire business—stand for and are built around. Your brand is the most effective and common way to communicate those core values to your different stakeholders, including customers, investors, vendors, and employees. You definitely should communicate your product's core values through your annual report, website, and advertising, but each of those elements is simply a fraction of your overall product and corporate brands. In fact, a brand is all of the combined impressions and experiences associated with your company and/or product.

SOURCE: PM:214

SOURCE: Bourn, J. (2018, April 12). *How to identify and define your core brand values*. Retrieved October 3, 2019, from <https://jenniferbourn.com/brand-core-values/>

81. A

Brand cue. Brand cues are simple reminders of the brand's identity and values. Brand cues are a great way to remind employees about brand values and the brand promise. Touchpoints are all the opportunities that businesses have to connect with customers and reinforce their brand values. Logos are distinctive symbols, designs, or groups of letters. Distributor brands are owned by the retailer or wholesaler that sells the brands, rather than the manufacturer.

SOURCE: PM:206

SOURCE: LAP-PM-020—Corporate Identity (Nature of Corporate Branding)

82. B

Transportation. In the hospitality and tourism industry, the core product is the primary service that is provided. In the case of cruise lines, the core product is transportation because that is what the cruise lines are selling. Cruise lines are offering the service of transporting passengers from one location to another. In conjunction with transportation, some cruise lines offer food service. Some cruise lines offer movies and music to entertain passengers, but entertainment is not the core product. Luggage handling is available to passengers who check their luggage. However, luggage handling is not the core product. Customers pay for transportation, not for food service, entertainment, or luggage handling.

SOURCE: PM:081

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 7-12]. Tinley Park, IL: Goodheart-Willcox.

83. A

MNO Corporation owns a chain of upscale hotels and opens a chain of economy motels. A product line is a group of related product items. A product line extension occurs when the company adds a new product to the existing product line. A corporation that owns a chain of upscale hotels and then opens a chain of economy motels is extending its product line by providing similar products that have different features and benefits. An inn that remodels a swimming pool and adds a sauna is making improvements to the property rather than extending the product line. Implementing wireless technology is an example of an amenity rather than a product line extension. Hiring additional staff is a human resource function.

SOURCE: PM:099

SOURCE: Lodging Magazine. (2018, September 20). *Choice launches a brand extension of Clarion: Clarion Pointe*. Retrieved October 10, 2019, from <https://lodgingmagazine.com/choice-hotels-launches-midscale-brand-extension-clarion-clarion-pointe/>

84. A
Staffing. Staffing is the management function of finding workers for a business. An important staffing activity is identifying qualified candidates to do the work. To identify qualified candidates, the manager must know what skills are needed to perform the work. Leading involves directing the activities of others. Persuading is convincing others to take a certain course of action. Controlling is the management function of monitoring the work effort.
SOURCE: SM:065
SOURCE: LAP-SM-004—Dream Team Maker (Staffing)
85. A
Hospitality and tourism businesses must market tangible as well as intangible products. The hospitality and tourism industry primarily offers services to its customers, rather than tangible products. This means that businesses in hospitality and tourism need to appeal to customers' emotions even more than in other industries. Customers are just as influenced by promotions in the hospitality and tourism industry as in other industries. It is not necessarily true that promotional efforts in hospitality and tourism are usually too expensive to validate. Hospitality and tourism businesses often invest in promotional efforts for their brands.
SOURCE: PR:121
SOURCE: Hussung, T. (2016, January 15). *The importance of marketing in the hospitality industry*. Retrieved October 3, 2019, from <https://online.csp.edu/blog/business/the-importance-of-marketing-in-the-hospitality-industry>
86. B
Special incentives. Special incentives, such as price reductions and discounts, are intended to encourage customers to buy goods and services. Other types of special incentives used to encourage customers to purchase are premiums, contests, and sweepstakes. Publicity is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual which benefits from it. Public relations promotions are a type of institutional promotion created to deal with controversial public issues that are related to a company or its products. Visual merchandising is another term for display.
SOURCE: PR:082
SOURCE: Davies, T.D. (2017, October 20). *9 creative hotel promotion ideas*. Retrieved October 30, 2019, from <https://blog.thebookingfactory.com/9-creative-hotel-promotion-ideas-2cd7f71f3b5>
87. A
Improvement. Quality management is the coordination of resources to ensure the degree of excellence of a process, good, or service. Quality improvement involves using a systematic approach to increase the levels of excellence in relation to a process, good, or service. Quality assurance is the processes involved in checking processes or products to ensure that they are consistently meeting the business's quality standards. Deviation is the degree to which a process or product does not meet the business's quality standards.
SOURCE: QM:001
SOURCE: LAP-QM-001—Keep It Quality (Nature of Quality Management)
88. C
Accurate financial records. Many internal and external factors affect the business's level of risk—the possibility of financial loss. To remain viable in the marketplace, a business must take steps to minimize risk. One internal control that businesses use to minimize risk is to maintain accurate financial records. Businesses must comply with government regulations (e.g., pay taxes). If the business fails to comply with the regulations, it could be subject to penalties and fines that can be very costly to the business. By maintaining accurate financial records, businesses can minimize these types of risks. If the business orders too much inventory, it risks financial loss on the products that it cannot move. If the business implements lenient credit policies, it increases risks associated with delinquent and nonpaying customers. Substandard equipment may be prone to malfunctioning, and may be hazardous for employees, which increases the business's risk levels.
SOURCE: RM:058
SOURCE: Internal Revenue Service. (2019, June 3). *Why should I keep records?* Retrieved October 3, 2019, from <https://www.irs.gov/businesses/small-businesses-self-employed/why-should-i-keep-records>

89. B

To demonstrate the effectiveness of risk management. An internal audit is an independent, objective assurance and consultation. It involves evaluating and improving processes in an organization. Performing an internal audit can demonstrate the effectiveness of risk management within an organization. Internal audits do not necessarily provide a framework for risk management, standardize the risk reporting process, or implement risk responses.

SOURCE: RM:058

SOURCE: Marks, N. (2017, September 29). *How should you audit and assess risk management?* Retrieved October 30, 2019, from <https://iaonline.theiia.org/blogs/marks/2017/Pages/How-should-you-audit-and-assess-risk-management.aspx>

90. B

Selling is planned communication. Selling is a marketing function that involves determining client needs and wants and responding through planned, personalized communication. Selling is a planned and personalized communication, meaning that salespeople spend time becoming experts on their products as well as customer needs and wants. Successful selling often results in repeat customers. Selling can occur online and off.

SOURCE: SE:017

SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)

91. D

What's in a product. Letting a customer know that a dessert contains pecans is an example of using information about what's in a product. Many customers are very interested in knowing what materials or ingredients a product contains. Informing a customer about pecans in a dessert does not tell her/him where the product comes from or how it should be used. Durability refers to how long a product will last.

SOURCE: SE:062

SOURCE: LAP-SE-131—Get Informed (Acquiring Product Information for Use in Selling)

92. B

Discovering customer needs. The second phase of the selling process involves discovering customer needs and wants. When customers do not know precisely what they are looking for, a salesperson must be prepared to discover their needs. Assessing customer needs is important because it often reduces the amount of selling time required. Establishing relationships with customers is the first phase of the selling process and may include creating a good impression of the business. Prescribing possible solutions is the third phase of the selling process and takes place after salespeople have discovered customer needs.

SOURCE: SE:048

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

93. A

Location of the property. People travel for many reasons, including business and leisure. The purpose of the trip, as well as the site location, often influences the selection process. For example, a businessperson traveling to meet with a customer might select a property close to the customer's office. A leisure traveler might select a beachfront resort hotel over a nearby roadside motel because it might offer more amenities geared to vacationers. A trucker, on the other hand, might select the roadside motel because of its easy access to the highway. Positioning strategies are methods that members of the hospitality industry use to create a particular image or standing in the marketplace. Although hotels use positioning strategies to appeal to customers, customers do not generally consider the specific techniques that businesses use to position products. A traveler selects a lodging facility based on his/her personal preferences, not the seller's (hotel). Although some travelers might consider tax rates when selecting a lodging facility, it is usually not a primary factor in the selection process. In addition, lodging facilities in the same general area most likely have the same tax rates.

SOURCE: SE:220

SOURCE: HMG Hospitality. (2017, June 22). *Understand how people choose hotels*. Retrieved October 3, 2019, from <https://hmghospitality.com/understand-four-reasons-people-choose-hotels-revenue-will-skyrocket/>

94. C

Recommend local bars within walking distance of the hotel. Hotel concierges are responsible for recommending local restaurants, bars, attractions, and other places of interest to guests. Because the Welcome Inn does not have its own bar, Rebecca should recommend a nearby bar to the guest so that he is not disappointed. She should not tell the guest that she wishes there was a bar inside the hotel, explain the reason why there is no bar, or suggest that the guest partake in alternative activities.

SOURCE: SE:221

SOURCE: Reference.com. (2019). *What is the responsibility of a hotel concierge?* Retrieved October 30, 2019, from <https://www.reference.com/business-finance/responsibility-hotel-concierge-b2052f13fb961f0>

95. 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 ($4 \times \$128 = \512). Then, multiply the dollar amount of the four-night stay by the sales tax rate ($\$512 \times 114.5\% = \586.24) or ($\$512 \times 14.5\%$ or $.145 = \$74.24$; $\$512 + \$74.24 = \$586.24$).

SOURCE: SE:329

SOURCE: Maloney, L. (2018, March 15). *How to calculate hotel tax*. Retrieved October 3, 2019, from <http://traveltips.usatoday.com/calculate-hotel-tax-61990.html>

96. B

\$10.99. Restaurants often feature two-for-one dinner specials to attract customers. The offer is contingent on at least two people dining together. The offer is valid for three people but only one dinner will be free. Sometimes, the offer applies to larger groups of equal number such as a party of four or six in which case two or three of the dinners will be free. In this situation, a party of three is taking advantage of the two-for-one special, so the server should deduct the lowest priced dinner (\$10.99) from the bill. Two-for-one dinner specials usually do not include beverages so the server would not deduct the price of a beverage from the bill. Also, desserts are often additional unless otherwise noted. Therefore, the server should deduct only the price of the dinner.

SOURCE: SE:149

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 375]. Tinley Park, IL: The Goodheart-Willcox Co.

97. B

Company culture. Management is affected by many factors, including company culture. Doug's company culture frowns upon managers interacting socially with other employees. Therefore, Doug's management style and his role as a manager are being affected by company culture. There is no indication that Doug is being affected by the organization's finances, competitors, or supplier relations.

SOURCE: SM:100

SOURCE: Sherman, F. (2019, March 08). *What are internal & external environmental factors that affect business?* Retrieved October 2, 2019, from <http://smallbusiness.chron.com/internal-external-environmental-factors-affect-business-69474.html>

98. A

Determining objectives. The planning function of management involves deciding what will be done and how it will be accomplished. A primary aspect of the planning function is determining the organization's objectives or desired outcomes. Directing is the management function of providing guidance to workers and often involves modifying or changing employee behavior to achieve desired results. One aspect of the control function of management is to measure actual performance against established standards. If performance exceeds the standards, the manager can identify gains. If performance falls below the standards, the manager may need to implement new procedures for improvement.

SOURCE: SM:063

SOURCE: Gartenstein, D. (2019, February 4). *The basic steps in the management planning process*. Retrieved October 3, 2019, from <http://smallbusiness.chron.com/basic-steps-management-planning-process-17646.html>

99. B

Competitive. Promotions that convince customers to buy are especially important for competitive products. Marketers need to persuade customers to buy *their* product over all the similar ones on the market. Persuasive promotions are not as important for new, old, or noncompetitive products.

SOURCE: PR:001

SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

100. C

Staffing. Staffing is the management function of finding workers for a business. Recruiting, interviewing, hiring, and training are staffing activities. Leading is an activity that involves influencing and motivating others to take a certain course of action. Coordinating is an organizing activity that involves bringing resources together to accomplish a goal.

SOURCE: SM:065

SOURCE: Management Study Guide. (2019). *Functions of management*. Retrieved October 3, 2019, from http://www.managementstudyguide.com/management_functions.htm