



SAMPLE EXAM

BUSINESS MANAGEMENT + ADMINISTRATION CAREER CLUSTER

THE BUSINESS MANAGEMENT + ADMINISTRATION
CAREER CLUSTER EXAM IS USED FOR THE
FOLLOWING EVENTS:

HUMAN RESOURCE MANAGEMENT

RETAIL MANAGEMENT

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. The primary responsibility of an agent is to
 - A. advise the principal of his/her responsibilities.
 - B. accept responsibility for a principal's personal torts or crimes.
 - C. act in the best interest of the principal.
 - D. assume all authority for a principal's personal and professional decisions.

2. If all of the individuals who own a business share unlimited liability for the business's losses, these individuals are part of a(n)
 - A. "S" corporation.
 - B. private corporation.
 - C. general partnership.
 - D. "C" corporation.

3. Which of the following is a benefit of settling a case instead of going to trial:
 - A. Settlements involve a "guilty" and "not guilty" verdict.
 - B. Settlements ensure a chance at appeal.
 - C. Settlements are more private.
 - D. Settlements are less predictable.

4. What is the first step of the litigation process?
 - A. The defendant files a complaint.
 - B. The plaintiff files a complaint.
 - C. The defendant answers a complaint.
 - D. The plaintiff answers a complaint.

5. Which of the following statements about the impact of law on business is accurate:
 - A. Businesses are not governed by criminal law because it only applies to individuals.
 - B. Businesses are governed by law at the local, national, and international levels.
 - C. Businesses should focus on corporate laws enacted and enforced by their local government.
 - D. Businesses should focus on ethical rather than legal issues required by national law.

6. Katie has developed a new product idea and plans to share it at the next staff meeting. Katie knows that some coworkers will object to her idea. When her coworkers share concerns that her idea won't work, Katie should
 - A. remind her coworkers that they are sharing opinions, not facts.
 - B. explain that there is no proof her idea wouldn't work.
 - C. acknowledge their concerns and respond in a respectful manner.
 - D. repeat her proposal because it is based on quality research.

7. In the following situation at the XYZ Company, what did Samantha fail to do when taking an order over the telephone: "Hello. This is Samantha. How may I help you? I'll need your name, address, and account number. That was one #89306 and two #63085. Thank you for calling in your order."
 - A. Courteously close the conversation
 - B. Identify herself
 - C. Repeat the order to the customer
 - D. Identify the company

8. What often appears at the bottom of a business letter if a sales brochure is attached?
 - A. Company signature
 - B. Reference initials
 - C. Enclosure notation
 - D. Writer's identification

9. A company's intranet, regular meetings, and content management system are all aspects of
 - A. ethics.
 - B. tacit knowledge.
 - C. knowledge management.
 - D. explicit knowledge.

10. Which of the following information is included in the introduction component of a research report:
 - A. Findings and purpose
 - B. Purpose and background
 - C. Action plan and findings
 - D. Background and action plan

11. Carrie has a summer job cleaning and maintaining backyard pools. Her boss thinks she does a great job. Today, she has a new client. For a while, he was watching her from the porch, and then he came out and stood just a few feet away from her. "Don't do it that way," he instructed. "You're using too much chlorine. Should I just measure it out for you?" Carrie's customer is
- A. irritable/moody.
 - B. slow/methodical.
 - C. suspicious/distrustful.
 - D. domineering/superior.
12. Every society must answer three economic questions related to production and distribution because of
- A. price.
 - B. scarcity.
 - C. economics.
 - D. demand.
13. A business's ethics determine whether or not an action is acceptable for that business, especially if the action
- A. contributes to the business's profitability.
 - B. has a negative impact on others.
 - C. affects the environment.
 - D. is against the law.
14. A high rate of unemployment usually has a negative impact on a country's
- A. equilibrium price level.
 - B. gross domestic product.
 - C. personal income tax.
 - D. terms of trade.
15. The preparation of income statements and balance sheets is usually the responsibility of the business's _____ department.
- A. purchasing
 - B. accounting
 - C. marketing
 - D. human resources
16. A country is experiencing civil unrest. What is likely to happen to the value of its currency?
- A. It will stabilize.
 - B. It will increase.
 - C. It will decrease.
 - D. It will not be affected.
17. An employee accidentally quoted the wrong price to an important customer. How should the employee deal with this problem?
- A. Say the manager provided inaccurate information
 - B. Tell the customer the typist made an error
 - C. Ask a coworker to accept responsibility
 - D. Admit the mistake and quote the correct price
18. Which of the following ways of maintaining your positive attitude keeps you from taking yourself too seriously:
- A. Making sure you take care of your health
 - B. Maintaining your sense of humor
 - C. Avoiding criticizing yourself
 - D. Reading current materials on being positive
19. Businesses that encourage collaboration benefit from
- A. increased competition.
 - B. improved market conditions.
 - C. government regulations.
 - D. higher employee achievement.
20. Which of the following is most important to know before attempting to sell an idea:
- A. Your manager's current and projected salary
 - B. The benefits of your idea to your teammates and organization
 - C. Your teammates' opinion on the idea
 - D. The complete budget of your company's top competitor
21. Octavian can see that a disagreement between two of his employees is making it difficult for them to work together on a special project. Octavian hopes that by acting as a neutral third party, he can help the two resolve their conflict. Octavian's intervention in the conflict is an example of
- A. mediation.
 - B. cooperation.
 - C. yielding.
 - D. brainstorming.

22. Organizing a charity event with your coworkers is an example of what type of behavior that builds positive working relationships?
- A. Carrying your own weight
 - B. Getting to know others on your work team
 - C. Having a good attitude
 - D. Being cooperative
23. The use of sorting techniques to capture knowledge involves
- A. setting long-term objectives.
 - B. obtaining and storing confidential information.
 - C. documenting relevant facts.
 - D. comparing and ordering concepts.
24. To have successful collaborative partnerships in the workplace, it is important for employees to
- A. support all ideas.
 - B. limit communication.
 - C. avoid conflict.
 - D. establish trust.
25. Which of the following businesses best represents an innovative entrepreneurial endeavor:
- A. Developing and selling a new wood-cutting device
 - B. Buying a small local coffee shop from its founder
 - C. Opening a new pizza franchise
 - D. Starting a clothing business online
26. It is important to regularly track and analyze your budget because
- A. it is important to set financial goals.
 - B. fixed expenses are constantly changing.
 - C. your income should remain steady.
 - D. changes in your life can affect your spending.
27. When writing a check, why should you write out the check's amount in words as well as in numeric form?
- A. The amount in words is used if the numerals are unclear.
 - B. The amount in words verifies who can cash the check.
 - C. The amount in words specifies the bank's routing number.
 - D. The amount in words gives the purpose for the check.
28. Which of the following is an advantage of a supply chain's ability to adjust internal inventory levels:
- A. It no longer needs to monitor inventory levels.
 - B. It can respond to changes in the marketplace.
 - C. It significantly reduces transportation costs.
 - D. It develops better supplier relationships.
29. Which of the following is a characteristic of an economy experiencing a short money supply:
- A. High unemployment
 - B. Low interest rates
 - C. Low tax levels
 - D. High levels of borrowing
30. Ethical accounting practices involve presenting a business's financial information in a
- A. way that enables managers to manipulate data.
 - B. format that can be interpreted in many ways.
 - C. systematic and biased manner.
 - D. clear and impartial way.
31. If the cash from operating activities is consistently greater than the company's net income, the company's net earnings are of a(n) _____ quality.
- A. excessive
 - B. low
 - C. moderate
 - D. high
32. What should a company review to determine whether the business is profitable?
- A. Monthly sales receipts
 - B. Accounts receivable ledger
 - C. Cash flow statement
 - D. Income statement

33. One way that businesses often use current employees during the process of orienting new employees is as
- A. trainers.
 - B. interviewers.
 - C. managers.
 - D. evaluators.
34. Which of the following is the best example of knowledge that an organization would want to manage:
- A. Competitor names
 - B. Insights into unrelated industries
 - C. Employee Social Security numbers
 - D. Customer feedback
35. When analytical reports contain information that readers might disagree with, writers should back their conclusions with
- A. enthusiastic statements.
 - B. technical statistics.
 - C. personal opinions.
 - D. logical arguments.
36. Which of the following is a benefit of a company intranet:
- A. Improved targeted and strategic promotional efforts
 - B. Easily understood causes of business problems
 - C. Better public image and relationship with the media
 - D. Improved engagement in employee communications
37. Which of the following is a situation that does not violate trade-secret laws:
- A. After examining the chemical makeup of an existing product on the market, a researcher recreates and sells a similar product.
 - B. A worker breaches a nondisclosure agreement with a former employer by revealing the former employer's manufacturing technique to his/her new employer.
 - C. A software developer hacks into a competitor's computer system to obtain specifications for a new product.
 - D. After gaining access to his/her firm's mailing list, a business executive sells the mailing list to the firm's largest competitor.
38. New and different viewpoints force you to consider things from someone else's point of view, helping you be more
- A. friendly.
 - B. empathetic.
 - C. helpful.
 - D. efficient.
39. After knowledge has been captured and organized, it should be
- A. sold.
 - B. guarded.
 - C. deleted.
 - D. shared.
40. After numerous production problems, the new and improved Loppet was ready for sale, but producers hadn't decided how to make the Loppet available to consumers. Which part of the marketing process would this be?
- A. Pricing
 - B. Promotion
 - C. Planning
 - D. Distribution
41. ChemTech International plans to build a new research facility, which is to be completed in two years. As an employee with ChemTech, your supervisor has requested that you produce a detailed document to send to potential vendors and contractors that outlines how they should submit bids to perform work for the new facility. The document is to contain instructions about the type of information the potential vendors should provide in their bids and the format in which the information should be presented. What type of document are you preparing?
- A. Summary of qualifications
 - B. Request for proposal
 - C. Executive summary
 - D. Business plan

42. Technology that links employees who work in different locations and allows them to access the same business information is called a computer
- A. structure.
 - B. network.
 - C. modem.
 - D. line.
43. The primary purpose of groupware computer software is to
- A. support customers and employees by providing ongoing training.
 - B. provide managers with the ability to monitor employees' behavior.
 - C. allow employees to have access to the same information.
 - D. encourage businesses to increase their market share and profits.
44. Which of the following is a major consideration when selecting project-management software:
- A. Legal business structure
 - B. Vendor technical support
 - C. Budgeting method
 - D. Team members' preferences
45. One limitation of project-management software is that it typically lacks the ability to
- A. find input errors.
 - B. generate reports.
 - C. sort data.
 - D. track resources.
46. A company has decided to move its important information into a new digital database. Immediately after moving its data, what should the company do?
- A. Train employees on the importance of safe data-migration practices.
 - B. Send out a press release to the public about the data migration.
 - C. Hold a company-wide meeting to discuss the database change.
 - D. Check to make sure that no data were lost in the moving process.
47. Which of the following would be done first in an environmental scan:
- A. Carry out scanning activities
 - B. Identify participants and responsibilities
 - C. Select trends and issues to act on
 - D. Identify and analyze important trends and issues
48. What authorization does Ray's Pizza Shop need to obtain to operate legally within its city's limits?
- A. Transportation certificate
 - B. Real-estate license
 - C. Health-department permit
 - D. Search warrant
49. Which of the following involves looking at what went well, what didn't go well, and what improvements can be made in the future:
- A. Communicating with stakeholders
 - B. Performing gap analysis
 - C. Determining lessons learned
 - D. Project planning
50. Which of the following is a true statement about identifying project deliverables:
- A. A project manager needs to identify only one deliverable per project.
 - B. It's important to get expected deliverables in writing from the client.
 - C. It's a task that also includes creating a schedule for finishing the deliverables.
 - D. It's a task that occurs about halfway through the project-planning process.
51. What do businesses need to maintain in order to produce goods and services for customers?
- A. List of vendors
 - B. Inventory of supplies
 - C. Schedule of accounts
 - D. Copies of invoices
52. To maintain favorable relationships with vendors, a business must
- A. develop a decentralized buying structure.
 - B. use aggressive negotiation tactics.
 - C. implement return policies.
 - D. have a cooperative orientation.

53. Which of the following is an example of a reorder:
- A. Henry's Hardware Store ordered 35 model-N1 hammers and 2 cases of ¼" stainless steel bolts from Franklin Tool Manufacturers.
 - B. Sims Steakhouse received six out of eight cases of glassware on Monday because the vendor ran out of stock.
 - C. Mr. and Mrs. Travis ordered a dining-room set in a wood finish that the furniture store doesn't normally carry.
 - D. The Powell Company did not order enough paper towels for the month, so it ordered an additional four cases.
54. Silence is an effective negotiating technique to use with a vendor when a business wants the vendor to
- A. obtain leverage.
 - B. maintain its authority.
 - C. make a concession.
 - D. initiate a gridlock.
55. Which of the following is an example of continuous improvement?
- A. Selecting the best possible supplier or vendor
 - B. Minimizing defect levels to 3.4 per million units produced
 - C. Following an annual self-assessment and improvement process
 - D. Giving managers full responsibility for product quality
56. Businesses that are unable to afford regular maintenance because of overspending run the risk of needing to
- A. order more inventory.
 - B. extend working hours.
 - C. hire new employees.
 - D. make costly repairs.
57. Why do many financial advisors recommend that you validate your financial credit history annually?
- A. Information in your credit report can impact how much you pay to borrow money.
 - B. The return on your stock investments is based on your financial credit history.
 - C. Most universities review your financial credit report before accepting you as a student.
 - D. Information in your credit report appears in your social networking profiles.
58. Becky's boss has asked her to do research on the company's last five annual financial reports. She wants to find out why the company has been losing more money this year than in previous years. What type of work is Becky's boss asking her to perform?
- A. Managerial accounting
 - B. Business analysis
 - C. Data normalization
 - D. Marketing research
59. Business process thinking is meant to help companies
- A. hire employees and fill roles.
 - B. achieve goals and serve customers.
 - C. process payroll and compensate employees.
 - D. enforce safety standards.
60. Every task in a business process should have defined roles and responsibilities, which can be documented in an ARCI matrix. ARCI stands for accountable, responsible, _____, and informed.
- A. consulted
 - B. constant
 - C. collaborative
 - D. controlled
61. A manufacturing company would like to produce 5,000 finished products per day; however, the company cannot afford the machinery to do so. Instead, the firm decides to extend each employee's work day by one hour to make up for the lost production. This is an example of how _____ impact(s) business process design.
- A. technology
 - B. regulations
 - C. human error
 - D. social norms

62. The Shumaker Company recently altered its production process by adopting a new technology that can make finished goods three times faster than the old system. In other words, the company changed a business process in order to
- A. reduce company debt.
 - B. improve performance.
 - C. decrease employee wages.
 - D. increase company spending.
63. A small brick-and-mortar bookstore will benefit most from a supply chain that is designed to
- A. ship books to customers' homes.
 - B. stock large quantities of best sellers.
 - C. purchase books to fulfill requested orders.
 - D. use an electronic commerce center to handle orders.
64. Radio-frequency identification (RFID) technology is becoming more popular than barcodes in supply chain management because it does not require a direct line of sight, can be read at greater distances, and
- A. has no chance of privacy problems.
 - B. is less expensive.
 - C. does not have reader collision concerns.
 - D. can be read much faster.
65. Supply chain network design improves service and reduces cost by aligning purchasing, production, warehousing, inventory, and
- A. the sales force.
 - B. marketing.
 - C. transportation.
 - D. promotion.
66. Longer supply lines resulting from globalization will most likely increase _____ for suppliers.
- A. speed
 - B. risk
 - C. product quality
 - D. visibility
67. What is one way that employees can help their companies protect digital assets?
- A. Download documents from unevaluated websites.
 - B. Share passwords with everyone in the company.
 - C. Follow company policies about giving out personal information.
 - D. Send out emails to update everyone on security policy changes.
68. Planning activities in advance, setting priorities, and avoiding nonproductive diversions are important aspects of
- A. time management.
 - B. natural ability.
 - C. productivity.
 - D. accountability.
69. Perry is thinking about being a project manager, but he's not sure. His guidance counselor suggests he have a discussion with someone who is currently employed as a project manager. What benefit will Perry get from an informational interview like this one?
- A. The project manager will probably give him a job.
 - B. The project manager can tell him what a real day on the job is like.
 - C. The project manager can tell Perry whether or not project management is the right career for him.
 - D. The project manager will help him with his college application.
70. Which of the following employees has a supply chain management career:
- A. Lena is in charge of demand forecasting.
 - B. Rose orients new employees.
 - C. Ian is in charge of employee benefits.
 - D. Saeed interviews potential employees.
71. Why should job applicants write follow-up letters after interviews, even if they know they will not be considered for the job?
- A. To say they are the best candidate
 - B. To demand an explanation
 - C. To show their appreciation
 - D. To ask who will fill the position

72. What should be included in the conclusion of a letter of application?
- A. Praise for the recipient
 - B. Information about your background
 - C. A method for following up
 - D. Discussion about your qualifications
73. A national association for professional salespeople requires its members to pledge to compete fairly and honorably. This requirement relates to which of the following benefits of organization membership:
- A. Establishment of standards
 - B. Sales promotion events
 - C. Group services
 - D. Expanded business contacts
74. In which component of the project's statement of work (SOW) would the following message most likely appear: "Due to the limited amount of time allocated to complete the study, the survey sample size may need to be reduced."
- A. Benefits
 - B. Purpose
 - C. Constraints
 - D. Deliverables
75. Which section of a project's statement of work (SOW) is most likely to contain the following information: Collins Corporation anticipates that the project will be completed in 18 months for \$1.2 million.
- A. Scope statement
 - B. Project deliverables
 - C. Cost and schedule estimates
 - D. Benefits and risks
76. Every task of a work breakdown structure should include
- A. project scope statements.
 - B. phases.
 - C. stakeholders.
 - D. deliverables.
77. So that team members can complete their specific tasks and responsibilities correctly, project managers must communicate
- A. marketing strategies.
 - B. short-term incentives.
 - C. financial information.
 - D. performance standards.
78. How can a project manager fast-track a project?
- A. Refrain from making changes in order to stay on course
 - B. Organize teams to run tasks concurrently
 - C. Add additional human resources
 - D. Increase managerial oversight
79. ABC Builders are two months behind schedule on the mall they are building. Management has decided to "crash" the project. Which of the following is an example of "crashing" a project:
- A. Extend the completion date by two months
 - B. Stop the project and allow another company to finish it
 - C. Start installing lights now instead of waiting until the painting is complete
 - D. Hire 10 additional construction workers
80. During which phase of a project do project team members perform archiving procedures?
- A. Execution
 - B. Closing
 - C. Definition
 - D. Controlling
81. The focus of quality management should be on
- A. beating the competition.
 - B. satisfying customers.
 - C. staying within the bounds of the law.
 - D. encouraging employees.
82. The Six Sigma framework approaches the quality improvement of existing processes by implementing the DMAIC method, which includes the five steps of defining, measuring, analyzing,
- A. improving, and controlling.
 - B. increasing, and counteracting.
 - C. instigating, and correcting.
 - D. influencing, and collaborating.

83. If a company wants to ensure that changes are implemented in the best possible way and that those changes will lead to long-term benefits, it should use the _____ approach.
- A. solution-finding
 - B. problem-solving
 - C. change-avoidance
 - D. change-management
84. During which stage of the PDCA continuous improvement process does a business decide to implement a change on a widespread basis?
- A. Check
 - B. Plan
 - C. Do
 - D. Act
85. Whistleblower policies are designed to protect companies from risks related to
- A. unethical business activities.
 - B. governmental regulations.
 - C. company property crimes.
 - D. the effects of global warming.
86. A business implements a computer program that will help it manage financial risks associated with procurement reliability and traceability. What type of software is the business using?
- A. ESET Smart Security
 - B. Supply chain risk management
 - C. Global Positioning System
 - D. Project management
87. To lower risks associated with noncompliance, a company should
- A. hire an environmental attorney to oversee all business functions.
 - B. monitor changes in laws affecting its business activities.
 - C. limit the potential of personal injury by purchasing property insurance.
 - D. encourage all employees to understand the advanced principles of contract law.
88. A company is considering whether to expand its operations into a neighboring country. The company predicts that the expansion will increase profits, but the firm's financial officials are concerned about the strength of the foreign dollar. This is an example of which of the following risk factors associated with international business:
- A. Governmental regulations
 - B. Environmental fluctuations
 - C. Domestic financial policies
 - D. Foreign currency exchange
89. Which of the following is an example of a risk that is unique to international expansion:
- A. The potential for losing money on the investment
 - B. The potential to grow brand awareness
 - C. The threat of digital security breaches
 - D. The relationship between the foreign government and business
90. Which of the following would be part of the management function of organizing:
- A. Taking corrective action
 - B. Assigning individual workers to specific jobs
 - C. Setting company goals
 - D. Interviewing customers about product preferences
91. A primary advantage to managerial planning is that it
- A. minimizes hasty decision-making.
 - B. reduces the need for flexibility.
 - C. requires little thought and input.
 - D. is reactive rather than proactive in nature.
92. Planning is usually considered the primary function of management because
- A. managers must address it before addressing the other management functions.
 - B. it generally costs more money than other management functions.
 - C. the other management functions do not need to be addressed as long as plans are made.
 - D. it is the only management function that does not require other employees.

93. Paul is managing a long-term project for his employer. Currently, he is determining what activities the team will need to complete to finish the project and what supplies the team will need in order to perform their work. What function of management is occurring in this situation?
- A. Organizing
 - B. Staffing
 - C. Directing
 - D. Evaluating
94. The staffing function is different from the organizing function because staffing is
- A. optional.
 - B. continuous.
 - C. the foundation of organizing.
 - D. more important than organizing.
95. When managers are building group dynamics, they are also often
- A. resolving conflict.
 - B. training employees.
 - C. organizing the company's structure.
 - D. recruiting new staff.
96. Monica created and implemented a plan for an advertising campaign, and now she wants to know if the plan has been effective in reaching the goals she designed. Which managerial function should she focus on?
- A. Planning
 - B. Controlling
 - C. Directing
 - D. Organizing
97. One of the purposes of managerial control is
- A. to communicate to low-level employees that they have no power.
 - B. to ensure that the company and its employees are working efficiently.
 - C. to regularly punish the employees that managers consider lazy.
 - D. to give employees full freedom and authority on their work assignments.
98. For successful innovation to occur, employees must be willing to _____ while developing ideas.
- A. learn
 - B. teach
 - C. avoid results
 - D. work alone
99. Capability Maturity Model Integration (CMMI) software has the ability to conduct an audit that compares the business's existing production and acquisition processes with the CMMI model. The audit provides information that will allow the business to
- A. manage its human and natural resources effectively.
 - B. develop long-term financial and operating plans.
 - C. determine the best way to comply with government regulations.
 - D. incorporate the best overall quality-improvement processes.
100. Change management occurs in a cycle because
- A. organizations push for unnecessary change.
 - B. organizations always need to change.
 - C. change is harmful for most companies.
 - D. change is difficult to implement.



KEY

Test Number 1224

Business Management and Administration Exam

Human Resource Management

Retail Management

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1. C

Act in the best interest of the principal. An agent is a person or business that is authorized to conduct certain activities with third parties on the behalf of another person or business (principal). Employees, attorneys, and accountants are examples of people who enter into relationships as agents for others. The primary responsibility of the agent is to act in the best interest of the principal (client). These actions might, but do not always, include advising the principal of his/her responsibilities, such as an accountant who explains tax obligations to a client. The amount of an agent's authority (personal and professional) depends on the principal. An agent's responsibility for a principal's tort or crime depends on the circumstances of the action in relation to the agent's authority. For example, an agent with express authority over business matters does not assume responsibility for a principal's personal behavior, such as assault.

SOURCE: BL:072

SOURCE: Business Dictionary. (2019). *Agent*. Retrieved October 23, 2019, from <http://www.businessdictionary.com/definition/agent.html>

2. C

General partnership. With a general partnership, all partners are liable for the debts of the business. If one partner refuses to pay her/his share of the debts, the other partners will be responsible for paying them. Owners of public, "C," and "S" corporations have limited liability.

SOURCE: BL:003

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

3. C

Settlements are more private. In settlements, most details aren't public, meaning that they are much more private than trials. Settlements cannot be appealed, and they do not involve a "guilty" or "not guilty" verdict. Settlements are more predictable than a jury decision.

SOURCE: BL:159

SOURCE: Shvartsman, S. (2015, April 9). *To settle or not to settle? That is the question*. Retrieved October 23, 2019, from <https://www.lawyers.com/legal-info/research/to-settle-or-not-to-settle-that-is-the-question.html>

4. B

The plaintiff files a complaint. The litigation process begins when the plaintiff files a complaint with the court. Then, the defendant must answer within a certain time period. The defendant does not file the complaint.

SOURCE: BL:160

SOURCE: Morsheid, M. (2018, August 20). *The litigation process*. Retrieved October 23, 2019, from <https://www.subscriptlaw.com/blog/the-litigation-process>

5. B

Businesses are governed by law at the local, national and international levels. Businesses have to be aware of many laws that affect the individuals they conduct business with as well as the communities they conduct business in. Businesses do have to concern themselves with criminal law; they can be held accountable for criminal acts committed by employees while conducting business. Corporate laws are just one type of law that businesses need to be concerned with; there are many others. Companies should concern themselves with ethical behavior as well as legal issues.

SOURCE: BL:161

SOURCE: Upcounsel. (2019). *Business laws and legislations: Everything you need to know*. Retrieved October 23, 2019, from <https://www.upcounsel.com/business-laws-and-legislations>

6. C

Acknowledge their concerns and respond in a respectful manner. To objectively defend an idea, it is important to acknowledge any concerns, consider them, and respond in a respectful manner. Stating that there is no proof that the idea wouldn't work does little to defend the idea and does not demonstrate an objective attitude. While it may be true that Katie's coworkers are only sharing opinions, their opinions may be based on years of experience and should be considered. Information based on quality research can provide good insight, but repeating the information does little to defend against concerns and does not demonstrate objectivity.

SOURCE: CO:061

SOURCE: Haddock, P. (2019, June 8). *Defend your ideas without becoming defensive*. Retrieved October 24, 2019, from <https://gohighbrow.com/defend-your-ideas-without-becoming-defensive/>

7. D

Identify the company. Techniques for handling incoming calls correctly include identifying the company as well as yourself, repeating the order to the customer to make sure it is correct, and closing the conversation courteously. Samantha did all of these except identify the company.

SOURCE: CO:114

SOURCE: Ward, S. (2019, June 25). *How to answer the phone professionally at your business: Tips on how to answer the phone professionally*. Retrieved October 24, 2019, from <https://www.thebalancesmb.com/how-to-answer-the-phone-properly-2947153>

8. C

Enclosure notation. An enclosure notation often appears at the bottom of a business letter if additional items are included with the letter. The enclosure notation may indicate the number of additional items attached or list the type of item, such as sales brochure, check, contract, etc. The purpose of the enclosure notation is to help the writer and the recipient confirm that all enclosures are included when the letter is sent and received. The reference initials identify the person who typed the letter. The company signature is the typed name of the company. The writer's identification is the writer's name typed below the signature.

SOURCE: CO:133

SOURCE: Purdue Online Writing Lab. (1995-2019). *Writing the basic business letter*. Retrieved October 24, 2019, from https://owl.purdue.edu/owl/subject_specific_writing/professional_technical_writing/basic_business_letters/index.html

9. C

Knowledge management. Knowledge management is the process of creating, identifying, collecting, organizing, sharing, and using knowledge and knowledge sources for the benefit of an organization or business. An organization's knowledge management can include technology such as an intranet and content management system, as well as human interactions such as regular meetings. These are not examples of tacit knowledge, ethics, or explicit knowledge.

SOURCE: KM:002

SOURCE: LAP-KM-002—Know What's Right (Ethics in Knowledge Management)

10. B

Purpose and background. The introduction of a research report defines the purpose of the research. It often contains background information about the problem, issue, or topic at hand. The findings are presented in the results section of the report. A proposed course of action or action plan is included in the recommendations section of the research report.

SOURCE: CO:186

SOURCE: UCLA Undergraduate Writing Center. (n.d.). *Writing research paper introductions*. Retrieved October 29, 2019, from <https://wp.ucla.edu/wp-content/uploads/2015/12/Writing-Research-Paper-Introductions.pdf>

11. D
Domineering/Superior. Carrie's customer is domineering/superior. He's talking down to her and giving her orders on how to do her job. A slow/methodical customer is indecisive or just takes a long time to make up his/her mind. A suspicious/distrustful customer questions everything and is constantly worried that your business might take advantage of him/her. An irritable/moody customer is unpredictable—s/he might be your best friend one day and a real crab the next.
SOURCE: CR:009
SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)
12. B
Scarcity. Scarcity is a condition resulting from unlimited wants and limited resources, forcing individuals and societies to make decisions about what to produce, how to produce it, and who should receive the goods produced. Price is one solution to determining who should receive goods produced. Economics is the science of solving the problems caused by scarcity. Demand is the quantity and price at which consumers are willing to buy at a particular time.
SOURCE: EC:001
SOURCE: LAP-EC-006—Are You Satisfied? (Economics and Economic Activities)
13. B
Has a negative impact on others. A business's ethics determine whether or not an action is acceptable for that business, especially if the action has a negative impact on others—employees, customers, community members, etc. Sometimes, a business's ethics influence its decision on an environmental issue, but the environment is not a more important factor in ethics than any other issue. Anything illegal should be unacceptable for a business, regardless of its ethics. Sometimes, unethical practices may contribute to a business's profitability, but this is not necessarily a more important factor than others in determining a business's actions.
SOURCE: EC:106
SOURCE: LAP-EC-106—On the Up and Up (Business Ethics)
14. B
Gross domestic product. This is the final market value of the total output of all goods and services produced within a country's geographic boundaries during a year's time. When the unemployment rate is high, a lot of people are out of work. As a result, production decreases because workers are not working and producing goods and services. When production decreases, the gross domestic product also decreases. A high rate of unemployment does not have an impact on the equilibrium price level, personal income tax, or terms of trade.
SOURCE: EC:082
SOURCE: LAP-EC-082—Help Wanted? (Impact of Unemployment Rates)
15. B
Accounting. Accounting duties include the preparation of all financial records for the business. Marketing involves satisfying the needs and wants of consumers through an exchange process. Purchasing is a marketing function that involves the planning and procedures necessary to obtain goods and services for use in the operation of a business or for resale. A human resources department is responsible for various areas of staffing and personnel.
SOURCE: FI:085
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)
16. C
It will decrease. A country's economic and political stability can affect the value of its currency. If a country is experiencing civil unrest, its political environment is volatile. Because foreign business partners and investors are uncertain about the country's future, they are likely to decrease their business activities, causing the country's currency value to decrease. The value of the currency in a politically unstable environment is not likely to increase, stabilize, or remain unaffected.
SOURCE: EC:100
SOURCE: LAP-EC-100—Get Your Money's Worth (Exchange Rates)

17. D
Admit the mistake and quote the correct price. When ethical people make mistakes, they don't try to cover them up or put the blame on someone else. Instead, they admit their mistakes and try to correct them if possible. Everyone makes a mistake at some point in time, and the ethical response is to admit it. Telling the customer the typist made an error or saying the manager provided inaccurate information are examples of blaming the mistake on others. Employees should not ask coworkers to accept responsibility for their mistakes.
SOURCE: EI:004
SOURCE: LAP-EI-004—Work Right (Demonstrating Ethical Work Habits)
18. B
Maintaining your sense of humor. Being able to laugh at yourself and at annoying things that happen is very good for your positive attitude. It keeps you from taking yourself too seriously and helps you keep things in perspective. All of the other alternatives are ways of supporting your positive attitude, but they are not intended to keep you from taking yourself too seriously.
SOURCE: EI:019
SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)
19. D
Higher employee achievement. Businesses that encourage collaboration gain the benefits of higher employee achievement. When employees use their strengths and combine their effort and knowledge, they are able to produce higher quality work in less time. Market conditions are affected by external forces, not by the internal work environment of a company. Government regulations are not typically related to collaboration in the workplace. Increased competition results from the rivalry among two or more organizations to attract scarce customer dollars.
SOURCE: EI:130
SOURCE: LAP-EI-130—Genius Is a Team Sport (Collaborating With Others)
20. B
The benefits of your idea to your teammates and organization. Before attempting to sell an idea, you need to identify how your idea will help your audience solve a problem or fulfill a need. It's unlikely that your audience will "buy" into your plan if they don't understand what's in it for them! While knowing your teammates' opinion on the idea can be useful, it's even more important that you understand the benefits of your idea to your teammates and organization. The budget of your company's top competitor and your manager's salary are not necessarily important to know before selling your idea.
SOURCE: EI:108
SOURCE: LAP-EI-108—Do They Buy It? ("Selling" Ideas to Others)
21. A
Mediation. When a neutral third party becomes involved in your conflict, this is called mediation. Mediation might involve asking your supervisor for input and, in some cases, going to the company's human resources department for formal intervention. It's nice to try to cooperate when resolving a conflict, but this doesn't have anything to do with input from a neutral third party. Yielding is a conflict response mode that involves "giving in." It isn't related to getting input from someone else. Brainstorming often occurs when trying to creatively solve a problem and doesn't necessarily involve input from anyone outside of the conflict.
SOURCE: EI:015
SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)
22. B
Getting to know others on your work team. Organizing a charity event with your coworkers is an example of getting to know others on your work team in the process of building positive working relationships. Spending time with your coworkers in a non-work environment is a great way to build positive relationships with them. Organizing a charity event is not an example of carrying your own weight. It may go along with having a good attitude or being cooperative, but it is best as an example of getting to know others on your work team.
SOURCE: EI:037
SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)

23. D

Comparing and ordering concepts. Knowledge management involves leveraging the expertise, insight, and information of internal and external resources to help an organization achieve its goals. An important aspect of knowledge management involves capturing the expertise, insight, and information, so the business can use it in meaningful ways. A business can use many different tools to capture knowledge in an organization. Sorting techniques allow the business to compare all of the data and information that it has collected, categorize it, and place it in a meaningful order or sequence. This process allows the business to look at all of the knowledge that it has gathered in different ways. This often helps the business determine efficiencies and inefficiencies within the business. Sorting techniques often help a business determine if any of the information that it has collected is confidential or relevant. After sorting and analyzing the information, the business may decide to take corrective action by changing some of its objectives.

SOURCE: KM:005

SOURCE: ProProfs. (2018, March 30). *How to acquire and apply knowledge acquisition in your organization*. Retrieved October 23, 2019, from <https://www.proprofs.com/c/knowledge-management/acquire-apply-knowledge-acquisition-organization/>

24. D

Establish trust. Successful collaboration involves establishing trust. When employees trust their coworkers, they are open, honest, and willing to work together to complete an activity or project. Employees do not need to support all ideas, but they need to be respectful of others' feelings and opinions. Employees cannot always avoid conflict, but they can handle it in constructive ways. Limiting communication can hinder collaboration.

SOURCE: EI:061

SOURCE: Hogg, B. (2013). *How to build your organizational culture based on trust and collaboration*. Retrieved October 29, 2019, from <https://www.billhogg.ca/wp-content/uploads/2013/04/Article-HowtoBuildYourOrganizationalCultureBasedonTrustandCollaboration.pdf>

25. A

Developing and selling a new wood-cutting device. An innovative entrepreneurial endeavor is one that involves creating or inventing something new to sell in the marketplace, such as a new wood-cutting device. A coffee shop, a pizza franchise, and an online clothing store all sell commonly known products and are not examples of innovative endeavors because nothing new is being developed or invented.

SOURCE: EN:039

SOURCE: Burrow, J.L. (2012). *Marketing* (3rd ed.) [pp. 587-588]. Mason, OH: South-Western Cengage Learning.

26. D

Changes in your life can affect your spending. While it is important to adhere to your budget, sometimes changes in life occur that affect your spending, such as buying a new car, having a child, or moving to a new city. It is important to regularly track and analyze your budget to see how these lifestyle changes are affecting your spending—and to adjust your budget accordingly. Fixed expenses are not constantly changing; rather, they usually do not change from month to month. Your income might remain steady, but that is not related to the need to regularly track and analyze your budget. It is important to set financial goals, but this is not related to the need to regularly track and analyze your budget.

SOURCE: FI:066

SOURCE: State of Indiana (2019). *Basics of budgeting*. Retrieved October 29, 2019, from <http://www.in.gov/sos/securities/2523.htm>

27. A

The amount in words is used if the numerals are unclear. The check amount written out in words is relied on when the bank or check recipient cannot easily decipher the numerals recorded on the check. The "Pay to the order of" line identifies who can cash the check. The bank's routing number appears in the MICR line at the bottom of your check. The memo line is used to designate the check's purpose.

SOURCE: FI:560

SOURCE: Huntington Bank. (2019). *How to write a check*. Retrieved October 23, 2019, from <https://www.huntington.com/Personal/checking/checks/how-to-write-a-check>

28. B

It can respond to changes in the marketplace. A supply chain can help a business quickly adjust inventory levels to respond to market changes. A supply chain does not eliminate the need to monitor inventory levels. The supply chain benefits of reduced transportation costs and better supplier relationships are not realized from adjusting internal inventory levels.

SOURCE: OP:303

SOURCE: Pasquale, D. (2013, December 3). *The keys to a more responsive supply chain*. Retrieved October 24, 2019, from <https://www.sdexec.com/warehousing/article/11226469/efficiency-is-well-and-good-but-without-responsiveness-your-supply-chain-is-vulnerable-to-disaster>

29. A

High unemployment. When the money supply is short, business activities slow down. With decreased activity, unemployment will increase, borrowing will decrease, and interest rates will rise. When the money supply is short, tax levels are usually also high.

SOURCE: EC:018

SOURCE: LAP-EC-009—Boom or Bust (Impact of Business Cycles)

30. D

Clear and impartial way. The accounting function of business is responsible for maintaining, gathering, and reporting a business's financial data and information. Accountants must present and report the information so that managers, vendors, and investors understand the business's financial situation, which helps them make sound business and investing decisions. Accountants must provide and summarize accurate data in a clear and impartial (unbiased) way for the information to be useful. Accountants should not present financial information in ways that can be changed, manipulated, or misinterpreted.

SOURCE: FI:351

SOURCE: LAP-FI-351—With Due Care (The Role of Ethics in Accounting)

31. D

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

SOURCE: FI:541

SOURCE: AccountingCoach. (2004-2019). *Cash flow statement (explanation)*. Retrieved October 23, 2019, from <http://www.accountingcoach.com/cash-flow-statement/explanation>

32. D

Income statement. Since an income statement records income and expenses over the accounting period, it indicates whether the business has experienced a net loss or a net profit. An accounts receivable ledger is not a good indicator of whether a business is profitable because it only records transactions for payments expected and received and does not reflect a company's outgoing payments. A cash flow statement helps a business predict cash inflows and outflows and is a good indicator of liquidity, but it is not a good indicator of profitability because it does not account for cash items that are not identified as income or expense such as the purchase of and depreciation of capital assets. Monthly sales receipts help a business determine its sales revenue over time, but they do not indicate the company's outgoing payments, which are necessary to determine profitability.

SOURCE: FI:542

SOURCE: Leibold, K., & Hofstrand, D. (2016, November) *Understanding cash flow analysis*. Retrieved October 31, 2019, from <https://www.extension.iastate.edu/agdm/wholefarm/html/c3-14.html>

33. A

Trainers. Businesses often use current employees to help orient and train new employees. Current employees are familiar with the business's facilities and ways of operating. They can take new employees on a tour of the property, introduce them to coworkers, and explain certain basic procedures. Current employees can answer questions for new employees and help them feel welcome in their new environment. Businesses do not use current employees to interview, manage, or evaluate new employees during the orientation process.

SOURCE: HR:360

SOURCE: Bacal, R. (1998-2019). *A quick guide to employee orientation—Help for managers and HR*. Retrieved October 24, 2019, from <http://work911.com/articles/orient.htm>.

34. D

Customer feedback. Customer feedback is the best example of knowledge that an organization would want to manage in one of its knowledge bases. Knowledge gained from customers can be very important for business success. Insights into unrelated industries would probably not be very useful to a business. Employee Social Security numbers and competitor names are information, not knowledge.

SOURCE: KM:001

SOURCE: LAP-KM-001—Know Go (The Nature of Knowledge Management)

35. D

Logical arguments. An analytical report is a document that explains and evaluates an issue, opportunity, or problem. When developing an analytical report that addresses a controversial issue or contains information that readers might disagree with, the writer should provide logical arguments that explain and support their conclusions. By providing logical arguments, the writer is more likely to persuade readers to accept the conclusions. Technical statistics may distract the reader. Personal opinions should not be expressed during an analytical report. Enthusiastic statements that do not provide logical arguments or supporting evidence are less likely to convince readers that the conclusions are reasonable.

SOURCE: CO:185

SOURCE: Layfield, E. (2017, February 18). *How to write an analytical report*. Retrieved October 23, 2019, from <https://penandthepad.com/write-analytical-report-5142708.html>

36. D

Improved engagement in employee communications. An intranet is a private network that is only available to a particular organization. Businesses use intranets to communicate, store data, and share information. A company intranet can help employees easily communicate, access resources, and engage in conversation. An intranet does not necessarily make it easier to understand causes of business problems. It does not relate to public image or the relationship to the media because it is a platform for internal communications rather than external. Intranets also do not necessarily relate to targeted and strategic promotional efforts.

SOURCE: KM:003

SOURCE: NI Business Info. (n.d.). *Benefits of intranets and extranets*. Retrieved October 31, 2019, from <https://www.nibusinessinfo.co.uk/content/benefits-intranet>

37. A

After examining the chemical makeup of an existing product on the market, a researcher recreates and sells a similar product. Independent discovery of a trade secret is legal. Because the researcher recreated the formula by examining an existing product (reverse engineering), s/he was not breaking trade-secret laws. Breaching a nondisclosure agreement, hacking into another business's computer system, and selling information to a third party for personal gain are illegal actions.

SOURCE: KM:004

SOURCE: Nolo. (n.d.). *Trade secret basics faq: What every business owner should know about trade secret law*. Retrieved October 23, 2019, from <https://www.nolo.com/legal-encyclopedia/trade-secret-basics-faq.html>

38. B
Empathetic. When you consider things from someone else's point of view, it helps you understand and appreciate that person's unique perspectives about life—in other words, it makes you more empathetic. Putting yourself in someone else's shoes does not necessarily make you more friendly, helpful, or efficient.
SOURCE: EI:136
SOURCE: LAP-EI-136—Pick a Side (Considering Conflicting Viewpoints)
39. D
Shared. One of the most important aspects of knowledge management is sharing the knowledge with the appropriate people so that it is useful. After knowledge has been captured and organized, it should be shared. Knowledge should not necessarily be guarded, deleted, or sold.
SOURCE: KM:018
SOURCE: Koenig, M. (2018, January 15). *What is KM? Knowledge management explained*. Retrieved October 23, 2019, from <http://www.kmworld.com/Articles/Editorial/What-Is/What-is-KM-Knowledge-Management-Explained-122649.aspx>
40. D
Distribution. Distribution is a marketing function that involves moving, storing, locating, and/or transferring ownership of goods and services. If there is no way to distribute a product to the consumers, even the best product won't have much value. Pricing involves determining and adjusting prices to maximize return and meet customers' perceptions of value. Promotion involves communicating information about goods, services, images, and/or ideas to achieve a desired outcome. Planning is the decision-making process of determining what goods and services will be produced and sold.
SOURCE: MK:001
SOURCE: LAP-MK-004—Have It Your Way! (Nature of Marketing)
41. B
Request for proposal. Complex projects often require the expertise of external resources. Building a new facility requires skills from architects, construction companies, electricians, etc. And because these types of projects are expensive, companies want to obtain bids from the potential vendors or contractors to determine which one is best suited to perform the work. A request for proposal (RFP) is an invitation for potential vendors to present bids to obtain a contract and perform the work. Because the work is complex, the RFP must include specific information and provide detailed instructions about the way the proposal should be written. Often, an RFP will require potential vendors to provide a summary of qualifications as a section of the proposal. A business plan is a company's blueprint for success—its business model. An executive summary is an element of a business plan and provides an overview of the most important information.
SOURCE: NF:080
SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 8.4]. Boston, MA: Cengage Learning, Inc.
42. B
Network. A computer network is a common term that describes the linking of business information among the business's employees by personal computers. The network allows employees to email, share documents, and access the information they need to perform their work. A modem is a device that allows a computer to transmit data over telephone or cable lines. Structure and line are not terms that businesses commonly use to describe the linking of employees' computers.
SOURCE: NF:003
SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)

43. C

Allow employees to have access to the same information. Employees often work together to complete projects, and many of these employees work in different locations. Groupware computer software allows employees to share and access the same information from a variety of locations. The ability to access the same information allows each employee to have the necessary data to complete his/her portion of the project in a timely manner. By completing projects in a timely manner, businesses are in a better position to satisfy clients/customers and earn profits, which might increase their market share. Some businesses use groupware computer software to exchange information with their customers, but this depends on the type of business and the relationship with the customer. Groupware computer software can be used in many ways, including training, but the primary purpose is to make information available to the people who need it.

SOURCE: NF:011

SOURCE: Gido, J., Clements, J., & Baker, R. (2018). *Successful project management* (7th ed.) [Lesson 12-8]. Boston, MA: Cengage Learning, Inc.

44. B

Vendor technical support. Comprehensive project-management software can help the project manager allocate resources—human, financial, material, capital—in the most efficient ways. When selecting software for complex, large-scale projects, it is important to consider the type of service support that the software distributor is willing to provide. If problems occur, project managers and team members may need to contact a technical support person to answer questions or to help solve technical problems. Team members who have experience with different types of project-management software may offer opinions, but the type of project, available resources, and constraints are likely to have a greater impact on the project manager's selection decision. Legal business structure and budgeting methods are not major considerations when selecting project-management software.

SOURCE: NF:130

SOURCE: Celoxis. (2018, September 11). *7 steps to choosing the right project management software*. Retrieved October 31, 2019, from <https://www.celoxis.com/article/7-steps-to-choosing-the-right-project-management-software>

45. A

Find input errors. Humans input the data into the computer, so if they enter it incorrectly, the computer has no way of detecting errors. The benefits of project-management software are that it can generate reports, sort data, and track resources.

SOURCE: NF:130

SOURCE: Techopedia. (2016). *Project management software*. Retrieved October 23, 2019, from <https://www.techopedia.com/definition/13132/project-management-software>

46. D

Check to make sure that no data were lost in the moving process. Immediately after moving data, the company should make sure that all information was transferred correctly and that no data were lost in the process. Sending out a press release, holding a company meeting, and training employees on data-migration practices are not the most important actions to take immediately after a data-migration.

SOURCE: NF:264

SOURCE: Salazar, A. (2015, January 15). *4 steps to a successful data center migration*. Retrieved October 23, 2019, from <http://www.datacenterknowledge.com/archives/2015/01/15/4-steps-successful-data-center-migration/>

47. B

Identify participants and responsibilities. The first step in conducting an environmental scan is to identify participants and their responsibilities. Every employee should participate, although some employees may have more formal duties than others. After this step has been completed, businesses can move on to carrying out scanning activities, identifying and analyzing important trends and issues, and selecting trends and issues to act on.

SOURCE: NF:015

SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

48. C

Health-department permit. Certain types of businesses, such as restaurants, grocers, and health care facilities, must obtain permits to operate from the health department. Businesses that prepare and sell food carry a higher risk of transmitting infectious disease, so it is important that they comply with laws, so they can continue to operate. Real-estate agents must obtain real-estate licenses. Transportation companies (e.g., trucking companies) must obtain licensure or certification to operate from the appropriate government agency (e.g., U.S. Department of Transportation). A search warrant is a legal document authorizing law-enforcement officials to search property.

SOURCE: OP:339

SOURCE: FindLaw. (2016). *Starting a business: License and permit checklist*. Retrieved October 23, 2019, from <http://smallbusiness.findlaw.com/starting-business/starting-business-licenses-permits/starting-business-licenses-permits-checklist.html>

49. C

Determining lessons learned. Determining lessons learned involves asking what went well during a project, what didn't go well, and what can be done differently in the future. It is an important step in the evaluation process. Gap analysis is a tool used to compare data to the project plan. Communicating with stakeholders involves telling stakeholders about the lessons you've learned. Project planning is deciding what will be done and how it will be accomplished.

SOURCE: OP:521

SOURCE: LAP-OP-521—Making the Grade (Evaluating Project Success)

50. B

It's important to get expected deliverables in writing from the client. Before you can plan, you must know exactly what your deliverables are. This task occurs right after you determine the project's purpose and scope, not halfway through the planning process. A project may have several deliverables. Creating a schedule does not come until later in the project-planning process. It is true, however, that project managers should get expected deliverables from the client in writing.

SOURCE: OP:001

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

51. B

Inventory of supplies. All businesses need to maintain an inventory of supplies in order to produce goods and services for customers. Small businesses may only need office supplies while retailers also need supplies to wrap packages. Large manufacturing businesses need vast inventories of resources to produce products. Without an inventory of supplies, businesses will not be able to do even simple tasks. The result might be a loss of customers and a loss of income. Some businesses may need only one vendor rather than a list of vendors. Businesses do not need to maintain a schedule of accounts or copies of invoices to produce goods and services for customers.

SOURCE: OP:031

SOURCE: Lewis, M.R. (2019, September 6). *How to maintain inventory accuracy*. Retrieved October 29, 2019, from <http://www.wikihow.com/Maintain-Inventory-Accuracy>

52. D

Have a cooperative orientation. When a business has a cooperative orientation, it is willing to work with other businesses to achieve their mutual goals. Having a cooperative orientation involves a willingness to share relevant information, to negotiate fairly (assertively), and to be trustworthy and reliable. Using aggressive negotiation tactics will likely not maintain favorable relationships with vendors. In fact, this action is likely to create conflict. A business does not need to use a decentralized buying structure to maintain favorable relationships with vendors. Insufficient information is provided to determine whether the return policies will help or hinder relationships with vendors.

SOURCE: OP:241

SOURCE: Spangler, B. (2017, June). *Competitive and cooperative approaches to conflict*. Retrieved October 23, 2019, from https://www.beyondintractability.org/essay/competitive_cooperative_frames

53. D

The Powell Company did not order enough paper towels for the month, so it ordered an additional four cases. A reorder involves ordering items that the company has previously ordered. The Powell Company placed a reorder because it submitted a second order for the same product (paper towels) to its vendor. A backorder occurs when a vendor ships part of an order on time and the rest of the order later when the stock is available. Mr. and Mrs. Travis placed a special order, which is a request for a custom item that a vendor does not normally carry in stock. Henry's Hardware Store placed a regular order, which involves providing the vendor with the specifications of items that the business wants to order.

SOURCE: OP:250

SOURCE: Berman, B., & Evans, J.R. (2013). *Retail management: A strategic approach* (12th ed.) [pp. 417-418]. Upper Saddle River, NJ: Pearson Education, Inc.

54. C

Make a concession. A concession is something that one party gives up during a negotiation. Effective negotiators plan the points that they are willing to concede before going to the negotiating table. Often, the negotiator will use silence as a way to make the vendor feel uncomfortable. The business hopes that the vendor might concede the point to fill the silence and keep the discussion going. The business will work to maintain its leverage or power (authority) over the negotiation so it can get what it wants from the vendor. If agreement cannot be reached, the negotiation may end in gridlock, a situation in which neither party gets what it wants.

SOURCE: OP:337

SOURCE: The London School. (2016, April 4). *Silence as a negotiation tool: Less is more?* Retrieved October 23, 2019, from <https://www.londonschool.com/lsc/resources/blog/silence-negotiation-tool-less-more/>

55. C

Following an annual self-assessment and improvement process. Continuous improvement involves always moving forward to make improvements. An annual process guides an organization to steadily improve. While minimizing defects is important to quality, setting a minimum level does not mean continuous improvement, especially when that minimum is met. Likewise, selecting the best supplier or vendor is not a continuous process. Giving managers responsibility does not necessarily mean they will work to continually improve.

SOURCE: OP:163

SOURCE: ASQ. (2019). *Continuous improvement*. Retrieved October 24, 2019, from <https://asq.org/quality-resources/continuous-improvement>

56. D

Make costly repairs. Failure to maintain a regular maintenance program often increases a business's expenses and leads to the need for costly repairs. A business's building and its equipment need regular maintenance to keep everything in good working order and reduce the possibility of breakdowns. Serious breakdowns can lead to expensive repairs, lawsuits from injured customers, or the temporary closing of a business which will add to the business's expenses.

SOURCE: OP:025

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

57. A

Information in your credit report can impact how much you pay to borrow money. Many financial advisors recommend that you validate your financial credit history annually for several reasons. First of all, information in your credit report can impact whether you get a loan as well as how much you pay to borrow money. Secondly, you should review your credit report annually to ensure that information that appears in the report is correct, complete, and current. Thirdly, by reviewing your credit report, you can ensure that you are not the victim of identity theft. Your financial credit history does not impact your return on stock investment nor appear in your social networking profiles. Although many employers review your financial credit report before hiring you, most universities do not review your credit history before accepting you as a student.

SOURCE: FI:072

SOURCE: Federal Trade Commission. (2017, February). *Disputing errors on credit reports*. Retrieved October 23, 2019, from <https://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports>

58. B

Business analysis. Business analysis is the investigation into the operations of a business to reveal the causes behind specific results and the effects of those results on the business. Managerial accounting is the process of identifying and analyzing financial information in order to help managers make informed business decisions. Becky is not recommending solutions to her boss; she is simply doing research. Therefore, she is not performing managerial accounting. Data normalization is the process of organizing data to reduce data redundancy, and marketing research is research related to a company's marketing efforts. Becky's boss is not asking her to perform either of these types of work.

SOURCE: OP:327

SOURCE: International Institute of Business Analysis. (2019). *What is business analysis?* Retrieved October 24, 2019, from <https://www.iiba.org/professional-development/career-centre/what-is-business-analysis/>

59. B

Achieve goals and serve customers. Business process thinking is meant to help a company work more efficiently and achieve goals. It is also customer-focused. The main goal of business process thinking is not to hire employees and fill roles, process payroll and compensate employees, or enforce safety standards.

SOURCE: OP:474

SOURCE: Enahwo, O.M. (2017, September 21). *7 key ways a business process analyst can improve your company's output*. Retrieved October 31, 2019, from <https://businessanalystlearnings.com/business-analyst-career/2017/9/21/7-key-ways-a-business-process-analyst-can-improve-your-companys-output>

60. A

Consulted. RACI stands for accountable (who is in charge of the process), responsible (who will carry out specific tasks), consulted (roles that need to be consulted before an action), and informed (who needs to be kept in the picture).

SOURCE: OP:474

SOURCE: Project-Management.com. (2019, September 19). *What is the RACI/ARCI matrix in project management?* Retrieved October 24, 2019, from <https://project-management.com/what-is-the-raci-arci-matrix-in-project-management/>

61. A

Technology. In this example, the technology that was needed was too expensive for the company to purchase, so the manufacturing process had to be changed in response. This example demonstrates how technology can influence business process design, not regulations, human error, or social norms.

SOURCE: OP:475

SOURCE: Taylor, H. (2017, September 26). *Factors that affect process design*. Retrieved October 24, 2019, from <https://bizfluent.com/list-7444011-factors-affect-process-design.html>

62. B

Improve performance. Companies choose to change business processes for a variety of reasons, including to improve performance, reduce costs, and increase profitability. In this example, The Shumaker Company altered a business process to improve the company's overall performance, not to reduce company debt, decrease employee wages, or increase company spending.

SOURCE: OP:476

SOURCE: The Hackett Group. (2017). *Enabling business process change*. Retrieved October 24, 2019, from <https://www.thehackettgroup.com/business-process-change/>

63. C

Purchase books to fulfill requested orders. A small brick-and-mortar bookstore is more likely to benefit from purchasing books to fulfill requested orders from customers. A small store will not benefit from storing large quantities of books due to limited space and the high cost of carrying extra inventory. Since a brick-and-mortar store depends on customer visits to promote books, gifts, and other items, it is not likely to benefit from using an electronic commerce center or shipping books to customers' homes.

SOURCE: OP:477

SOURCE: Anaplan. (2019, January 10). *What is supply chain management (Guide to SCM)*. Retrieved October 24, 2019, from <https://www.anaplan.com/blog/what-is-supply-chain-management/>

64. D

Can be read much faster. RFID technology can be read much faster than barcodes. RFID technology is more expensive than barcodes, has reader collision concerns, and still has a chance of privacy problems.

SOURCE: OP:478

SOURCE: Trepagnier, K. (2019). *RFID vs barcode: Comparison, advantages, and disadvantages*. Retrieved October 24, 2019, from <https://www.peak-ryzex.com/articles/rfid-vs-barcode-comparison-advantages-disadvantages>

65. C

Transportation. Supply chain network design aligns purchasing, production, warehousing, inventory, and transportation. Supply chain network design does not incorporate marketing, promotion, or the sales force.

SOURCE: OP:479

SOURCE: Balaji, L.N. (2013, July 8). *How to reduce costs through supply chain network optimization*. Retrieved October 24, 2019, from <http://www.industryweek.com/planning-amp-forecasting/how-reduce-costs-through-supply-chain-network-optimization>

66. B

Risk. Global supply chains have longer supply lines, which increases risk for suppliers. Longer global supply lines often reduce the speed of delivery and may or may not increase product quality for suppliers. Longer global supply lines typically have less visibility than local supply chains.

SOURCE: OP:480

SOURCE: Dittmann, P. (2015, August 21). *Managing risk in the global supply chain*. Retrieved October 24, 2019, from http://www.scmr.com/article/managing_risk_in_the_global_supply_chain1

67. C

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

SOURCE: OP:517

SOURCE: DeMers, J. (2015, June 2). *How to protect your company's data by keeping your employees informed*. Retrieved October 24, 2019, from http://www.huffingtonpost.com/jayson-demers/how-to-protect-your-compa_b_6993576.html

68. A

Time management. Time management is the process of controlling events in order to accomplish priorities. Effective time management helps employees become more productive no matter what their level of natural ability. Productivity is the amount of output from a set amount of resources. Accountability is the process of answering to a superior for the quality of work performed.

SOURCE: PD:019

SOURCE: LAP-PD-001—About Time (Time Management)

69. B

The project manager can tell him what a real day on the job is like. Perry can gain many benefits from doing an informational interview with a current project manager. The project manager can tell him what his/her typical work day is like, what sort of education or training s/he had, what s/he likes or dislikes about the job, and what sorts of skills it takes to excel in her/his position. Personal information like this may help Perry decide whether or not project management is the profession for him. Perry shouldn't assume the project manager will give him a job, although having a connection may come in handy when he's job hunting many years down the road. The project manager will not be able to make Perry's decisions for him; all s/he can do is tell Perry about his/his experience. It's probably not a good idea for Perry to expect the project manager to help him with his application; after all, it's a pretty big favor to ask someone to speak with him. He should make sure not to ask too much of the interviewee. He also should make sure to write a thank-you note.

SOURCE: PD:022

SOURCE: Doyle, A. (2019, August 2). *How an informational interview can boost your career*. Retrieved October 24, 2019, from <https://www.thebalancecareers.com/how-an-informational-interview-can-help-your-career-2058564>

70. A

Lena is in charge of demand forecasting. Demand forecasting is a typical job duty of an employee working in supply chain management. Interviewing potential employees, orienting new employees, and being in charge of employee benefits are typical job duties for human resources employees.

SOURCE: PD:297

SOURCE: LAP-PD-297—Career Opportunities in Business Management and Administration

71. C

To show their appreciation. A follow-up letter is basically a thank-you letter that expresses appreciation for having the opportunity to interview for a position. It is important to write a follow-up letter, even if the applicants know they will not be considered for the job, because there may be other jobs in the future. If the interviewer has a good impression of the applicants because of the follow-up letters, the applicants may be considered for future positions. Job applicants should not write follow-up letters to demand an explanation, say they are the best candidate, or ask who will fill the position.

SOURCE: PD:029

SOURCE: Kuligowski, K. (2019, May 1). *After the interview: Sample thank-you letters*. Retrieved October 29, 2019, from <https://www.businessnewsdaily.com/5578-sample-thank-you-letters.html>

72. C

A method for following up. In a letter of application, it is important to ask the recipient for a follow-up conversation. In the conclusion of the letter, you can indicate how the recipient should follow up with you, such as via phone or email. Information about your background should be done in the body of the letter rather than the conclusion. Praise for the recipient should be in the introduction rather than the conclusion. Finally, discussion about qualifications should be in the body rather than the conclusion.

SOURCE: PD:030

SOURCE: Doyle, A. (2019, June 25). *Job application letter format and writing tips*. Retrieved October 24, 2019, from <https://www.thebalancecareers.com/job-application-letter-format-2061567>

73. A

Establishment of standards. Some organizations require members to pledge to adhere to a code of ethics in order to maintain high professional standards. Professional organizations are primarily concerned with expanding the knowledge of the profession and maintaining high professional standards. The opportunity to attend sales promotion events, expand business contacts, and take advantage of group services are other benefits of belonging to professional organizations and/or trade associations.

SOURCE: PD:036

SOURCE: Federal Trade Commission. (n.d.). *Spotlight on trade associations*. Retrieved October 29, 2019, from <https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/dealings-competitors/spotlight-trade>

74. C

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

SOURCE: PJ:005

SOURCE: Project-management.com. (2018, October 5). *How to write the project statement of work (SOW)*. Retrieved October 31, 2019, from <https://project-management.com/how-to-write-the-project-statement-of-work-sow/>

75. C

Cost and schedule estimates. The statement of work (SOW) is a document that outlines the terms, commitments, and conditions of the project. Cost and schedule estimates provide stakeholders with information about the anticipated costs and timelines associated with the project. Deliverables are the goods, services, or documentation that will be provided to the stakeholder upon completion of the project. The scope statement is a component of the SOW that clearly defines the things that the project team will do, as well as the things it won't do. The example does not discuss the benefits and risks associated with the project.

SOURCE: PJ:005

SOURCE: Project Management Docs. (2017). *Statement of work*. Retrieved October 24, 2019, from <http://www.projectmanagementdocs.com/project-documents/statement-of-work.html#axzz4eFPJgKvT>

76. D

Deliverables. Deliverables are unique products, results, or capabilities that must be produced to complete a process, phase, or project. The work breakdown structure, which details all of the tasks needed in a project, should include deliverables for each task to show productivity. Phases are distinct periods in the project. Phases generally include tasks, rather than the other way around. Stakeholders are people affected by the outcome of a project as a whole. Project scope statements outline the deliverables and constraints of a project in general, rather than for each task.

SOURCE: PJ:006

SOURCE: Cohen, E. (2018, March 15). *A beginner-friendly guide to work breakdown structures (WBS)*. Retrieved October 24, 2019, from <https://www.workamajig.com/blog/guide-to-work-breakdown-structures-wbs>

77. D

Performance standards. The team leader should communicate the performance standards, which are specifications or statements that serve as a basis for comparing the desired performance with the actual performance. By understanding the standards, team members can adapt their behavior and use techniques or processes to perform the work in ways that will achieve the desired level of quality. Depending on the project and the team members' responsibilities, the performance standards may include using financial information or marketing strategies. Short-term incentives (e.g., financial bonuses) do not communicate the project manager's performance standards or expectations.

SOURCE: PJ:007

SOURCE: Global Alliance for the Project Professions. (2019). *Project managers*. Retrieved October 24, 2019, from <https://globalpmstandards.org/tools/tools-for-assessment/project-managers/>.

78. B

Organize teams to run tasks concurrently. Fast-tracking is a process in which team members complete tasks concurrently, focusing on them simultaneously rather than sequentially. The manager should not refrain from changes because changes might be necessary in order to fast-track a project. Adding additional human resources is a different process known as crashing. Finally, in order to fast-track a project, a manager might have to decrease his/her central oversight, rather than increasing it.

SOURCE: PJ:010

SOURCE: Lister, J. (2019). *How can fast tracking affect a project?* Retrieved October 31, 2019, from <http://smallbusiness.chron.com/can-fast-tracking-affect-project-32112.html>

79. D

Hire 10 additional construction workers. Adding more resources to a project to shorten its duration is called "crashing." Stopping the project would not shorten its duration; rather, it would cause the project to be incomplete. Rescheduling tasks that were originally scheduled to run one after the other so that they run at the same time (in this example, installing the lights and painting at the same time) is called "fast tracking" a project. Extending the completion date is a major change to the project that requires many people to approve it. It is not an example of crashing, which is a means of adding resources to get the project done on time.

SOURCE: PJ:010

SOURCE: Monnappa, A. (2017, September 19). *Project management learning series: Fast tracking versus crashing*. Retrieved October 28, 2019, from <https://www.simplilearn.com/fast-tracking-vs-crashing-article>

80. B

Closing. During the closing phase of a project, the deliverables are given to stakeholders, the lessons learned document is developed, and all of the project documents are archived (stored) for future reference. The project is initiated during the definition phase. During the execution stage, the project is implemented. Controlling is the management function that monitors the work effort.

SOURCE: PJ:008

SOURCE: Gido, J., Clements, J., & Baker, R. (2018). *Successful project management* (7th ed.) [Lesson 9-1]. Boston, MA: Cengage Learning, Inc.

81. B

Satisfying customers. The focus of quality management should be on satisfying customers. Meeting customer needs and wants is what keeps a business going. Although an organization should strive to beat the competition, stay within the bounds of the law, and encourage its employees, none of these are the main focus of quality management.

SOURCE: QM:001

SOURCE: LAP-QM-001—Keep It Quality (Nature of Quality Management)

82. A

Improving, and controlling. Six Sigma is a quality improvement framework that involves continuously setting higher goals of perfection. It builds upon previous goals to set higher goals that continuously improve the quality of the business's goods, services, or processes. DMAIC is an acronym for the Six Sigma method of improving existing processes. The steps include defining goals, measuring performance, analyzing problem areas, improving the problem areas by eliminating defects, and controlling future performance and processes.

SOURCE: QM:002

SOURCE: iSixSigma. (2000-2019). *What is six sigma?* Retrieved October 31, 2019, from http://www.isixsigma.com/sixsigma/six_sigma.asp

83. D

Change-management. The change-management approach ensures that changes are implemented in the best possible way and that those changes will lead to long-term benefits. Change management is not referred to as problem solving, change avoidance, or solution finding.

SOURCE: SM:095

SOURCE: MindTools. (1996-2017). *Change management: Making organization change happen effectively*. Retrieved October 28, 2019, from https://www.mindtools.com/pages/article/newPPM_87.htm

84. D

Act. The first step in the PDCA continuous improvement technique is planning a change. During the second step of the process, the business implements (does) the small-scale change. The third step involves checking the results to determine if the small-scale change was effective. If the change was successful, then the business acts to implement the change on a larger scale.

SOURCE: QM:003

SOURCE: American Society for Quality. (2019). *What is the plan-do-check-act (PDCA) cycle?* Retrieved October 28, 2019, from <https://asq.org/quality-resources/pdca-cycle>

85. A

Unethical business activities. A “whistleblower” is defined as an employee who reports a company activity that s/he considers unethical or illegal. Whistleblower policies protect employees from being punished by their employers for alerting the authorities about unethical business practices, and protect companies from the risks associated with unethical business activities. Whistleblower policies do not protect companies from risks related to governmental regulations, company property crimes, or the effects of global warming.

SOURCE: RM:041

SOURCE: Miller, R.L. (2020). *Business law today: The essentials* (12th ed.) [p. 488]. Boston, MA: Cengage Learning, Inc.

86. B

Supply chain risk management. Many businesses use supply chain risk management (SCRM) software to manage risks associated with purchasing the goods and services that they use or offer for resale. SCRM software can help the business monitor vendor viability, evaluate suppliers' credit, and analyze product quality and packaging to ensure compliance. SCRM software is useful for businesses with indirect distribution systems to trace the origin of products. This feature is particularly important for food-oriented businesses that may need to trace items for health- and illness-related reasons (e.g., E. coli outbreak) and may be subject to product recalls. Global Positioning Systems (GPS) monitor and track transportation efforts in real time. ESET Smart Security software is an Internet security program. Businesses use project-management software to plan, organize, and execute projects—work efforts with a definite beginning and a definite end.

SOURCE: RM:042

SOURCE: Wisner, J.D., Tan, K., & Leong, G.K. (2019). *Principles of supply chain management* (5th ed.) [Lesson 13-3a]. Boston, MA: Cengage Learning, Inc.

87. B

Monitor changes in laws affecting its business activities. Compliance with the law is an important aspect of managing business risk. If a business does not monitor changes in the laws that affect its operations, the business may become noncompliant. Noncompliance often involves paying government fines, which are financial losses for the business. Environmental attorneys have specialized knowledge of laws that affect the natural environment (e.g., pollution and water quality). The degree to which a business's activities affect the environment influences the need to hire an environmental attorney. Businesses purchase property insurance to limit losses related to buildings and land. Contract law is a category of law that specializes in contracts or formal agreements. Encouraging all employees to understand the advanced principles of contract law does not lower a business's noncompliance risks.

SOURCE: RM:043

SOURCE: Weltman, B. (2018, June 12). *5 best risk management strategies*. Retrieved October 28, 2019, from <https://www.sba.gov/blog/5-best-risk-management-strategies>

88. D

Foreign currency exchange. The rate of exchange between foreign currencies is constantly fluctuating. If a foreign currency's value decreases significantly, companies may lose money. It is important for companies to consider this risk before engaging in international business. Environmental fluctuations, domestic financial policies, and governmental regulations are also important to consider before expanding into a foreign country; however, they are not described in this example.

SOURCE: RM:092

SOURCE: Saint-Leger, R. (2019, January 25). *Risk involved in an international business*. Retrieved October 28, 2019, from <https://bizfluent.com/info-7766597-risk-involved-international-business.html>

89. D

The relationship between the foreign government and business. When a business decides to expand internationally, it faces certain risks. One of those is the relationship between government and business in the particular country where it will expand. The government's impact on business can cause serious problems for a foreign company that wants to expand, so companies must be aware of the regulatory environment. The potential to grow brand awareness is not a risk; rather, it is a reason to expand internationally. The threat of digital security breaches and the potential for losing money are not unique to international expansion.

SOURCE: RM:092

SOURCE: Martinez, M. (2014, March 11). *Expanding a business internationally: Risk factors*. Retrieved October 31, 2019, from <https://www.pinkerton.com/blog/expanding-a-business-internationally-risk-factors/>

90. B

Assigning individual workers to specific jobs. Organizing is the management function of setting up the way the business's work will be done. Management is the process of planning, organizing, directing, and controlling activities in order to achieve goals or objectives. Assigning workers to do certain tasks is part of the organizing function. Setting company goals is part of planning. Taking corrective action is part of controlling. Interviewing customers is a job to which specific workers might be assigned.

SOURCE: SM:001

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

91. A

Minimizes hasty decision-making. Managerial planning focuses on deciding what will be done and setting goals that the business wants to achieve. Because planning is a proactive activity, managers should obtain input from others, think about and analyze many factors, and look at things from different points of view. By doing so, managers can minimize business risks associated with hasty, impulsive, and reactive decision-making processes. Because the business environment is always changing, it is important to be flexible when planning and executing business activities.

SOURCE: SM:063

SOURCE: HubPages, Inc. (2018, February 16). *Importance of planning*. Retrieved October 31, 2019, from <http://youcanwin.hubpages.com/hub/Importance-of-Planning>

92. A

Managers must address it before addressing the other management functions. Planning is considered the primary function of management because it must be done first, before other management functions can be addressed. Planning can be costly, but that is not why it's considered the primary management function. The other management functions still need to be addressed. Planning may require feedback and assistance from other employees.

SOURCE: SM:063

SOURCE: Akers, H. (2019). *How does planning relate to other management functions?* Retrieved October 28, 2019, from <https://smallbusiness.chron.com/planning-relate-other-management-functions-65109.html>

93. A

Organizing. The organizing function of management focuses on setting up the way the work will be done. Organizing involves determining what resources the project or organization needs and how the various resources will work together to accomplish the goals in the most efficient ways. Staffing is the management function of finding workers for the business. Directing is the management function of providing guidance to workers and work projects. Evaluating (performance) is an activity of the controlling function of management, which is the management function that monitors the work effort.

SOURCE: SM:064

SOURCE: LAP-SM-064—Put It All Together (Managerial Considerations in Organizing)

94. B

Continuous. The staffing function is different from the organizing function because staffing is continuous. It's always taking place within the organization, whereas organizing may take place just one time. Staffing is not optional—businesses need human resources to operate. Organizing lays the foundation for staffing. Neither function is more important than the other.

SOURCE: SM:065

SOURCE: LAP-SM-004—Dream Team Maker (Staffing)

95. A

Resolving conflict. Directing includes helping employees work together as teams. It is not the process of hiring, training, and/or organizing employees and work teams. Those fall under other functions of management. However, directing does involve resolving conflict between employees.

SOURCE: SM:066

SOURCE: LAP-SM-066—Take Action (Managerial Considerations in Directing)

96. B

Controlling. Controlling is the management function that monitors the work effort. If Monica is monitoring the effectiveness of her plan and deciding whether or not the company has met its goals, she is focusing on managerial control. This is not part of the planning, directing, or organizing functions of management.

SOURCE: SM:004

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 257-258). Columbus, OH: Glencoe/McGraw-Hill.

97. B

To ensure that the company and its employees are working efficiently. The control function of management involves monitoring employee progress to ensure that the company is working efficiently toward its goals. The purpose of managerial control is not to communicate to low-level employees that they have no power, or to regularly punish employees that managers consider lazy. Managers should not give employees total freedom and authority on their work assignments; rather, they should practice managerial control by monitoring and guiding employee progress.

SOURCE: SM:004

SOURCE: LAP-SM-400—Measure Up! (Managerial Control)

98. A

Learn. For successful innovation to occur, employees must be willing to learn while developing ideas. The development process involves learning and accepting change. Employees do not necessarily have to teach while developing ideas. They should review their results and learn from them, not avoid them. Innovation does not necessarily occur when employees work alone; it may happen when employees are working together.

SOURCE: SM:094

SOURCE: Muse, C., & Smith, J. (n.d.) *Cultivating innovation in the workplace*. Retrieved October 28, 2019, from <http://managementhelp.org/innovation/>

99. D

Incorporate the best overall quality-improvement processes. Capability Maturity Model Integration (CMMI) software helps guide improvement for projects, for departments, or throughout the overall organizational structure. It is designed to help businesses continuously improve their processes, outputs, and performance levels. A feature of the CMMI software program is that it has an auditing function that compares the business's existing processes with the CMMI model to evaluate efficiency levels. The audit results guide the business's decision-making by examining both the efficient processes and inefficient processes. By using the CMMI model, the business can integrate its successful processes with those suggested by the CMMI model, which can help the business's quality improve. The purpose of the CMMI quality management framework is to facilitate quality improvement rather than develop long-term financial and operating plans and comply with government regulations. CMMI can help the business improve the efficiencies of all of its resources; however, not all businesses use natural resources in their production processes.

SOURCE: QM:002

SOURCE: White, S.K. (2018, March 16). *What is CMMI? A model for optimizing development processes*. Retrieved October 28, 2019, from <https://www.cio.com/article/2437864/process-improvement-capability-maturity-model-integration-cmmi-definition-and-solutions.html>

100. B

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

SOURCE: SM:096

SOURCE: Garfein, S., Horney, N.F., & Nelson, M. (2013). *Managing change in organizations*. Retrieved October 28, 2019, from <https://www.pmi.org/learning/library/managing-change-organizations-5872>