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

- HOSPITALITY AND TOURISM PROFESSIONAL SELLING HTTPS
- HOSPITALITY SERVICES TEAM DECISION MAKING HTDM
- HOTEL AND LODGING MANAGEMENT SERIES HLM
- QUICK SERVE RESTAURANT MANAGEMENT SERIES QSRM
- RESTAURANT AND FOOD SERVICE MANAGEMENT SERIES RFSM
- TRAVEL AND TOURISM TEAM DECISION MAKING TTDM

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. Janelle owns a fast-food restaurant that is part of a larger chain of restaurants. She paid an initial fee to the owner of the chain when she opened the restaurant. She also has to pay a royalty fee to the parent company based on a percentage of her profits. Janelle is a
   A. licensee.  
   B. franchisor.  
   C. licensor.  
   D. franchisee.

2. When Arthur travels out of the country, he picks up some souvenirs. When he tries to bring them back home with him, he discovers that he has to pay a tax on them. Arthur must pay the
   A. travel tax.  
   B. customs duty.  
   C. travel duty.  
   D. souvenir tax.

3. Which of the following is a controversial legal issue pertaining to airport security:
   A. Passport purchasing procedures  
   B. Intrusive personal searches  
   C. Airline overbooking practices  
   D. Baggage fees and claims

4. A month ago, Carmen volunteered to bring cookies to her school's bake sale. She waited until the morning of the bake sale to bake the cookies, and now she has to get them done as quickly as she can. She tries a cookie when it comes out of the oven, and it tastes terrible. Carmen looks back at the recipe and realizes she left out several key ingredients because she was in such a hurry. Which of these steps for following written instructions did Carmen ignore?
   A. Know the end result.  
   B. Accept responsibility.  
   C. Don't rush.  
   D. Go in order.

5. Derek is listening to Amir talk about his new job working at a fast-food place. Amir says, “I'm looking forward to my first full-time job.” He is slumped in his seat and staring at the floor. Which of the following is a good interpretation of Amir's message:
   A. He is excited, but he has poor communication skills.  
   B. He is not excited because no one likes working in fast food.  
   C. He is excited because he clearly said that he is looking forward to the job.  
   D. He is not excited because his body language doesn't match his words.

6. Which of the following is an example of formal communication in the workplace:
   A. Susan tells a coworker that she thinks her manager is going to be fired.  
   B. Tessa asks Ken for his opinion about an article that she has written.  
   C. Phil asks Mark if he has an extra product brochure that he can give to a customer.  
   D. Melinda meets with her manager to discuss a possible promotion.

7. Corey is writing an online banner advertisement to sell her new line of handmade toys. What type of writing is Corey doing?
   A. Responsive  
   B. Persuasive  
   C. Informative  
   D. Passive

8. Why should an independent business consultant avoid using email to share a negative evaluation of an IT company with a client?
   A. The email would legally be considered intentional slander or defamation.  
   B. It is illegal to share negative information about other businesses via email.  
   C. Using email can create reputational risk for him/her if it is shared with others.  
   D. The email would make him/her appear negative and judgmental.
9. You have to let one of your employees know you must reduce his hours because of budget cuts. You should deliver this information to your employee in a(n)
   A. letter.
   B. phone call.
   C. email.
   D. in-person meeting.

10. Olivia's manager asked her to attend a meeting that will be held next Tuesday and provided her with an outline that describes the meeting topics. What can Olivia do to prepare for the meeting?
   A. Review the meeting agenda to gather necessary information
   B. Summarize the status of all of her current work projects
   C. Ask a coworker about the meeting's purpose
   D. Set priorities for discussion points

11. David works for a busy travel agency. On Thursday, a client calls David and requests information about a two-week Caribbean cruise. David needs to do some research before he can provide the client with the desired information. Which of the following is the best way for David to respond to the client's inquiry:
   A. "I don't have information about this cruise. I'll ask my supervisor to call you next week."
   B. "I'm very busy right now, so I'll get back to you when I have time."
   C. "I need to look into this, but will call you back by the end of the day with an answer."
   D. "I'm in the middle of something right now. Call me back in 15 minutes."

12. The executives of an airline recently determined that the cost of their extensive employee training program was too high and decided to terminate the program. What is a possible consequence of this decision?
   A. Stronger financial standing
   B. Increased number of repeat customers
   C. Decreased quality of customer service
   D. Reduced focus on productivity by management

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

14. When a business is successful in carrying out its brand promise, it provides its customers with
   A. a single touchpoint.
   B. above-average product quality.
   C. a variety of messages.
   D. consistent experiences.

15. Which of the following is a true statement regarding the relationship between customer service and the hospitality and tourism industry:
   A. Business success or failure depends on customer service.
   B. Customer service is important, but less so than price.
   C. Customer service cannot be taught through training.
   D. Greater customer satisfaction leads to lower revenue.

16. You are a hotel event planner in charge of a business conference. One of your guest speakers calls you to explain he is running late and will miss the pre-conference dinner. Instead, he explains, he is going to get something fast to eat on the way to the hotel. He still plans to arrive in time for his scheduled presentation, though. Which of the following would be the best thing for you to do to assist him:
   A. Ask the staff to keep his entrée warm so he can eat when he arrives.
   B. Ask a valet to help him with parking and luggage when he arrives.
   C. Cancel his presentation and let attendees know that he won't be there.
   D. Arrange for a video conference call in case he is late for his presentation.
17. Which of the following is an example of using social media to enhance a customer’s post-sale experience:
   A. Offering discounts for first-time customers
   B. Posting about the release of a product line
   C. Obtaining new followers that could make a purchase
   D. Responding to negative and positive online reviews

18. Paul's Pizza had to close its doors because management couldn't find enough employees. Paul's Pizza company was experiencing a shortage of
   A. natural resources.
   B. human resources.
   C. capital goods.
   D. economic wants.

19. A gas station sells close to the same amount of gas every month, even if the price of gasoline goes up or down. This is because demand for gasoline is
   A. inessential.
   B. elastic.
   C. discretionary.
   D. inelastic.

20. A luxury spa has experienced decreased sales. The owner believes the reason is a rise in unemployment in the area. What external environmental factor does this represent?
   A. Economic
   B. Sociocultural
   C. Technological
   D. Governmental

21. When Marlon buys a new oven for his bakery, he receives a three-year warranty from the oven company. If the oven breaks or has any problems within three years, the company promises to repair or replace it free of charge. This is an example of ___________ business risk.
   A. avoiding
   B. transferring
   C. preventing/controlling
   D. retaining

22. Which of the following is a true statement regarding hyperinflation’s effect on businesses:
   A. Hyperinflation raises the value of the products a business exports.
   B. Hyperinflation lowers interest rates, making business expansion easier.
   C. Hyperinflation makes running a business more difficult and unpredictable.
   D. Hyperinflation is good for businesses because prices go up.

23. Apple produces its MacBook computers in China. In calculating GDP, these computers would be part of
   A. the GDP for the U.S.
   B. community revitalization.
   C. the GDP for China.
   D. government purchases.

24. Avoiding the use of slang falls under which guideline for dealing effectively with people from different cultures?
   A. Expect differences to arise.
   B. Show respect.
   C. Strive to communicate clearly.
   D. Be patient.
25. Despite being very busy, a server at a restaurant kept his pace steady, his head up, and smiled at each diner with whom he made eye contact. This server was demonstrating interest and enthusiasm for the job through
   A. body language.
   B. personality.
   C. boredom.
   D. verbal communication.

26. Dion sometimes says he's sick when he actually just doesn't want to go to work. He convinces himself that what he's doing is okay by saying, "Everyone else is doing it, and my boss will never know." Dion is
   A. acting with integrity.
   B. behaving ethically.
   C. being accountable.
   D. making excuses.

27. What is often a positive result of accepting responsibility for a poor decision?
   A. You control others’ opinions.
   B. You gain others’ respect.
   C. You demonstrate self-importance.
   D. You reinforce skeptical attitudes.

28. Siobhan always treats others the way that she’d like to be treated. She is building trust by
   A. taking responsibility for her mistakes.
   B. keeping her promises.
   C. communicating often and openly.
   D. being fair.

29. If a person knows that s/he will not be punished for unethical behavior, his/her ethical dilemma could be motivated by
   A. pressure from others.
   B. a lack of consequences.
   C. the desire to prove her/himself.
   D. bad role models.

30. Practicing effective listening skills is courteous, and it benefits you by
   A. giving you time to plan your schedule.
   B. encouraging the speaker to give you all the facts.
   C. helping you maintain control of the conversation.
   D. demonstrating your command of body language.

31. When Kaitlin walked into the office's conference room, she saw a coworker speaking on the telephone. To respect her coworker's privacy, Kaitlin should
   A. stand quietly until her coworker notices her.
   B. leave the room immediately and shut the door.
   C. cough loudly to let her coworker know that she is in the room.
   D. shut the door and wait quietly in the room until the phone call is over.

32. Which of the following situations most likely requires confidentiality:
   A. A coworker asks you to tell him how a meeting went.
   B. You overhear a coworker discussing her salary.
   C. A manager wants to recognize an employee's performance.
   D. You see a coworker's personal social media post.

33. When confronting a conflict, it's important to
   A. avoid apologizing.
   B. focus on your overall feelings about the other person.
   C. ask for feedback and listen.
   D. use “you” statements whenever possible.
34. Kaya is in charge of planning an upcoming fundraiser for an animal shelter. She needs to make posters, call donors, and set up the venue in a week's time. With the help of other volunteers, Kaya is able to delegate tasks, use time well, and accomplish everything in time for the event. Which benefit of teamwork does this scenario describe most accurately?
   A. Accountability
   B. Efficiency
   C. Innovation
   D. Social contact

35. Andrea grew up near the mountains and loves to ski. Her coworker Stephen grew up near the beach and enjoys surfing. Which of the following differences between Stephen and Andrea is being illustrated in this example:
   A. Geographic origin
   B. Race
   C. Language usage
   D. Age

36. Cornell wants to start his own business, but he isn't exactly sure what product or service he wants to pursue at the moment. The first step of the entrepreneurial process that Cornell should focus on is
   A. idea generation.
   B. a feasibility study.
   C. illumination.
   D. verification.

37. Matthew received a loan for $20,000 from a financial institution to help him pay for his college education. The loan helped him cover the cost of his tuition while he was in school, and when he graduates, he will repay the financial institution. This is an example of which form of financial exchange?
   A. Credit
   B. Cash
   C. Debit
   D. Bitcoin

38. Under which of the following circumstances is a cosigner held legally responsible for paying the balance owed on a bank loan:
   A. The borrower defaults on the loan.
   B. The lender defaults on the loan.
   C. The borrower's interest rate increases.
   D. The lender's interest rate increases.

39. What are you doing when you compare your bank statement with your checkbook register?
   A. Endorsing your paycheck
   B. Managing your mutual funds
   C. Reviewing your credit card balances
   D. Reconciling your checking account

40. How can you be sure that your bank statement is error-free?
   A. Pay only with cash rather than using credit cards.
   B. Avoid using financial management software.
   C. Reconcile the bank statement with your own records.
   D. Balance your checkbook regularly.

41. Certificates of deposit and municipal bonds are types of
   A. value stocks.
   B. ownership securities.
   C. commodities.
   D. lending investments.
42. Mariana works in the accounting department of a large company. Her boss is pressuring her not to record all of the company's revenue in the business's financial records. If she follows his instructions, the company will appear to have a smaller income and won't have to pay as much in taxes. He tells Mariana that this is a normal thing to do, but Mariana's pretty sure it's wrong. Is this practice legal?
   A. No; this practice is known as underreporting.
   B. Yes; this is a common business practice.
   C. No; this practice is known as money laundering.
   D. Yes; if Mariana's boss requires her to do something, she should do it.

43. Dwayne is working on an income statement for his business. When he finishes it, he's left with his business's "bottom line," which represents the business's
   A. net income.
   B. operating expenses.
   C. gross profit.
   D. profit-and-loss statement.

44. What do businesses often develop to reduce the possibility of employees accepting payment from customers without recording the sale?
   A. Break-even requirements
   B. Credit card restrictions
   C. Two-person teams
   D. Internal control procedures

45. A company's cash flow is $1,680,500, its current stock price is $45.50, and there are 570,000 shares outstanding. What is the company's price-to-cash-flow ratio? (Round all calculations to the nearest hundredth.)
   A. 43.21
   B. 29.48
   C. 36.93
   D. 15.42

46. A primary reason for developing an employee orientation program is to
   A. help new employees learn about the company.
   B. reduce the need for on-the-job training.
   C. assign a mentor to help each experienced employee.
   D. evaluate the employees' work performance.

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

48. Which of the following is an action that can help a business safeguard its reputation:
   A. Implementing minimal touchpoints to connect with customers
   B. Delivering products with unpredictable quality
   C. Using high-pressure sales techniques
   D. Fixing mistakes consistently and quickly

49. Jake is a high school soccer player who is about to begin the fall season. While he is getting ready for his first practice, he realizes that his cleats from last year are too small and that he needs to buy a new pair. The soccer specialty store near Jake's house would consider Jake to be a member of its
   A. target market.
   B. market segment.
   C. industrial market.
   D. geographic segmentation.
50. A well-known author and professor of literature wrote the following blog entry: "While some might find Margo Green's latest book entertaining, the plot is weak and unrealistic, and the characters lack depth and complexity." This is an example of
A. data.
B. a fact.
C. a theory.
D. criticism.

51. Cocoa Bean Coffee Café posts the following statement on its website: "Cocoa Bean Coffee Café does not share its customers' names, email addresses, and telephone numbers with others without obtaining customers' consent." This is an example of a business exhibiting __________ behavior in relation to __________.
A. cautious; product promotion
B. ethical; information management
C. questionable; marketing research
D. judicious; production procedures

52. What is the primary function of the Random Access Memory (RAM) component of a computer?
A. Reads the computer code that provide visual effects
B. Serves as a temporary holding area for files and programs
C. Stores data and programs permanently
D. Enables the user to apply point-and-click commands

53. What presentation software function allows the user to move and change the order of existing slides?
A. Slide sorter
B. Transition
C. Promote paragraph
D. Note master

54. The Breckenridge Hotel installed a kiosk in its lobby that allows guests to check in and check out quickly without assistance from hotel staff members. This automated service benefits the hotel because it lowers
A. security needs.
B. maintenance problems.
C. labor costs.
D. billing errors.

55. Determine the number of customers who live in the Northeast and purchased $50 or more worth of goods last month based on the following information compiled from a mail-order business's database: 3,000 total customers; 21% live in the Northwest, 28% live in the Southwest, 27% live in the Southeast, and the remainder live in the Northeast. Half of the customers in each area purchased $50 or more worth of goods last month.
A. 350
B. 360
C. 330
D. 390

56. Which of the following is a benefit that comes from tracking analytics:
A. Measuring the success of marketing campaigns
B. Preventing page bounces
C. Discovering new sales tactics
D. Saving money on web hosting costs

57. Arthur's boss asked him to study his company's sales data from the previous five years to see if there were any trends. After his research, Arthur presented his findings to his boss along with his predictions for the future. This is an example of the process of
A. customer retention.
B. the selling process.
C. competitive analysis.
D. data mining.
58. A ski resort that is mining data from its database has detected an anomaly (a deviation from standard behavior) that occurred on a holiday weekend. Which of the following is most likely to be the anomaly:
   A. Visitors to the website also viewed nearby holiday attractions.
   B. The resort was booked to full capacity, predominately by families.
   C. Visitors to the website also viewed nearby hotels and restaurants.
   D. Food service decreased when the resort was filled to capacity.

59. Trends indicate that a large segment of the population is between 60 and 70 years old. A hospitality/tourism business can act on this trend by
   A. selling international vacation packages to recent college graduates.
   B. developing tour products specifically designed to appeal to retirees.
   C. offering discounted hotel rates for guests who have children under the age of five.
   D. implementing a loyalty program for corporate business accounts.

60. A resort recently added a state-of-the-art gym, a healthy dining option, and an on-staff personal trainer. These actions are examples of
   A. becoming a globalized business.
   B. dealing with economic impact.
   C. avoiding regulatory penalties.
   D. responding to guests' lifestyle trends.

61. A hotel's general manager tells the IT director that he wants to learn about recent technological changes in the industry. The IT director should
   A. present analytical data.
   B. make a recommendation presentation.
   C. purchase new software.
   D. write an exploratory report.

62. Hospitality businesses are developing strategies to accommodate niche markets. Skydivers are an example of a group in a growing segment called the _________ market.
   A. geotourism
   B. environmental
   C. agritourism
   D. adventure

63. A hotel guest gives the front desk clerk a credit card to guarantee payment for a room. The clerk uses a credit authorization service to
   A. charge the cost of the entire stay with an additional $100 for room service.
   B. determine if the guest has enough available credit to pay for the room.
   C. make a reservation for the guest at the hotel restaurant.
   D. create a voucher for the guest that includes the guest's information.

64. Businesses must learn to balance their ethical obligations with their
   A. legal obligations.
   B. desire for profit.
   C. productivity requirements.
   D. employees' schedules.

65. Although your coworker Edward has always been a pessimistic person, his attitude has been very negative lately. He obviously has an extreme dislike for the new manager, and recently, his favorite topics of conversation have been guns and knives. Knowing all this, what should you do?
   A. Accuse Edward of plotting violence during a staff meeting.
   B. Say nothing because Edward will probably calm down soon.
   C. Call the local sheriff or police chief to discuss Edward's mood.
   D. Share this information with your supervisor or the HR department.
66. Businesses rely on projects because the business environment is
   A. inflexible.
   B. dynamic.
   C. free from competition.
   D. hard to understand.

67. What is the end result of identifying project resources?
   A. Eliminating unforeseen problems
   B. Becoming a better, more cooperative team member
   C. Gaining a clear understanding of what is needed
   D. Becoming more independent

68. Purchasing's ultimate goal and purpose is always to obtain the right goods and services from the right suppliers at the right price. To reach this goal, purchasing specialists must be sure to
   A. locate backup sources of goods and services.
   B. purchase as much as possible when goods are needed.
   C. get the best price from suppliers, even if it damages relationships.
   D. select the supplier with the lowest bid.

69. Jack is measuring how well the purchasing department is performing against the department's budget. Jack is measuring the __________ of the department.
   A. purchasing efficiency
   B. purchasing functionality
   C. supplier relationships
   D. purchasing improvements

70. A local hotel keeps a large supply of cleaning products, office supplies, and repair tools. These items are known as __________ inventory.
   A. raw materials
   B. finished goods
   C. work-in-process
   D. MRO

71. A price markup is the difference between how much it costs to make a product and
   A. its selling price.
   B. how much employees make.
   C. what was estimated in the budget.
   D. the company's gross profit.

72. When Kara reviews an invoice from one of her suppliers, she notices an error in the discount amount for the order. Which of the following is the most appropriate action for Kara to take:
   A. File a complaint with the supply company's president.
   B. Pay the invoice now and notify the supplier about the problem later.
   C. Contact the supplier to resolve the discrepancy.
   D. Generate a new invoice with the corrected information.

73. Which of the following is a major financial benefit that a company can gain by collaborating with its supply chain members:
   A. Good relationships with suppliers
   B. Procurement history information
   C. Volume discounts on supplies
   D. Elimination of transportation costs

74. Which of the following is a good strategy for protecting digital customer data:
   A. Limit installation of outside software programs
   B. Use the same password for all accounts
   C. Avoid backing up your work
   D. Give employees equal access to customer information
75. It is important for hotel employees to wear disposable gloves when emptying trash containers to
   A. prevent damage to the floors and furniture.
   B. avoid direct contact with sharp objects and bacteria.
   C. reduce the risk of inhaling dangerous fumes.
   D. decrease the risk of security breaches.

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

77. We need creativity in communication because
   A. email makes communication very difficult.
   B. most people don't know how to communicate.
   C. not everyone communicates the same way.
   D. people get tired of the usual communication methods.

78. Which of the following individuals is most likely to meet her/his employer's expectations for proper
   employee behavior:
   A. Penelope, who asked a successful veteran coworker to serve as her mentor
   B. Charlene, who oversleeps and is late to work once or twice a month
   C. Dave, who has a tendency to take credit for his team's work
   D. Tim, who waits a week or more before replying to his manager's emails

79. Which of the following statements is true regarding training for entrepreneurial ventures:
   A. Most entrepreneurs must pass state-mandated exams to operate their businesses.
   B. Most successful entrepreneurs have degrees from four-year colleges or universities.
   C. Once entrepreneurs are educated or trained in their business field, they don't need further
      education.
   D. The type of training and education that entrepreneurs need depends on the nature of the startup
      business.

80. For what aspect of a job-search strategy would you be most likely to use the Internet?
   A. Searching for a company's product review
   B. Researching prospective employers
   C. Determining pending lawsuits against a company
   D. Using a search engine to find out what careers pay the most

81. Which of the following is an example of a businessperson obtaining professional development:
   A. Zoe reviews online publications to obtain information for a report that she is writing.
   B. Theo attends a seminar about product-standard changes that are affecting his industry.
   C. Nick asks his manager if he should attend a company meeting that is being held next month.
   D. Talia organizes a community-service event that her employer sponsors every year.

82. Which of the following statements is true regarding the development of the hospitality industry:
   A. Transportation advancements increase the demand for hospitality services.
   B. Political factors do not influence the need for hospitality services.
   C. The hospitality industry has experienced little change in the past century.
   D. Increased tourism activity has created a lower demand for hospitality services.

83. Which of the following are services that the travel industry provides:
   A. Airline, cruise ship, and recreation
   B. Bus, lodging, and convention
   C. Train, car rental, and airline
   D. Cruise ship, lodging, and car rental
84. In the hospitality industry, price is the amount of money that a guest pays
   A. to prevent possible cancellations.
   B. to make future reservations.
   C. for the use of a hotel's services.
   D. for requesting additional towels.

85. At what point in the new-product development process does a product's life cycle begin?
   A. Idea generation
   B. Commercialization
   C. Test marketing
   D. Product development

86. A fast-food restaurant decides to add a new line of salads to its menu. The company is using a(n) _______ product-mix strategy.
   A. expansion
   B. contraction
   C. trading-up
   D. trading-down

87. Hotels offering guests a weekend package that includes accommodations, meals, and a sightseeing trip is an example of
   A. target advertising.
   B. price positioning.
   C. individual selling.
   D. product bundling.

88. Which of the following is an example of a service provided by the hospitality industry:
   A. Airline tickets
   B. Restaurant meals
   C. Valet parking
   D. Electronic room keys

89. When the Marriott hotel chain launched the Fairfield by Marriott line of hotels, this was an example of
   A. product extension.
   B. product bundling.
   C. product contraction.
   D. product modification.

90. A popular hotel gives all of its guests a goodie bag that includes pens and a coffee cup with its logo and address on them. Most likely, the hotel is using these promotional materials to
   A. inform customers.
   B. remind customers.
   C. get customer feedback.
   D. identify customers.

91. Motels often use printed certificates that offer discounts to increase business. What type of promotional technique is this?
   A. Prizes
   B. Coupons
   C. Contests
   D. Awards

92. A potential benefit to businesses that implement continuous quality improvement processes is
   A. increased sales.
   B. increased costs.
   C. decreased outputs.
   D. decreased profits.
93. Which of the following is a barrier to effective internal risk control:
   A. Control processes include detailed audit trails.
   B. Managers override control processes.
   C. Employees understand the need for control.
   D. The company monitors control efforts continuously.

94. Salespeople who want to talk to others in their industry to obtain additional information about new and existing products might attend
   A. union events.
   B. trade shows.
   C. open houses.
   D. sales meetings.

95. Which of the following is a technique that a salesperson can use to reaffirm the buyer-seller relationship:
   A. Handle the customer's objections quickly
   B. Develop a scripted sales presentation
   C. Put the customer at ease by being objective
   D. Follow up with the customer to ensure satisfaction

96. Kaylee is the event coordinator for the Houghton Hotel. She is placing an order for unique table centerpieces with a vendor on behalf of a client who is holding a wedding reception at the hotel. What type of order is Kaylee placing?
   A. Special
   B. Standing
   C. Open
   D. Blanket

97. Taking a customer's order over the phone and accepting payment with a credit card is an example of
   A. reducing the possibility of counterfeiting.
   B. guaranteeing product satisfaction.
   C. implementing a mailing system.
   D. processing a financial transaction.

98. A pizza restaurant is offering $1 off any large pizza, 20% off the price of wings, and medium-sized soft drinks for $1.25 on Monday nights. If a group orders three large pizzas priced at $10.95 each, one $6.95 order of wings, and seven soft drinks, what amount will the restaurant charge?
   A. $48.55
   B. $42.21
   C. $40.90
   D. $44.16

99. What is the overall focus of managerial planning?
   A. Strategy development
   B. Capital fundraising
   C. Staff recruitment
   D. Task performance

100. What might result if an event promoter scheduled a major concert in a facility that consumers considered to be located in an unsafe area?
    A. Reduced sales
    B. Decreased parking
    C. Limited access
    D. Shortened hours
1. D
Franchisee. Franchising is a method of distributing recognized goods and services through a legal agreement between two parties. The franchisee (in this case, Janelle) acquires the rights to operate the business using the parent company's name. That parent company is known as the franchisor. For someone who wants to be a business owner, purchasing a franchise is often a desirable ownership option because the product has an established brand with a solid reputation. Licensing refers to an owner's authorization or permission for another entity to use trademarked, copyrighted, or patented material for a specific activity, during a specific time period, for the profit of both parties. The licensor is the owner of the material, and the licensee is the buyer.

SOURCE: BL:003
SOURCE: LAP-BL-001—Own It Your Way (Types of Business Ownership)

2. B
Customs duty. Goods that are brought across international borders are often subject to a tax called a customs duty. This is meant to control the flow of goods. It is not called a travel tax, a travel duty, or a souvenir tax.

SOURCE: BL:126

3. B
Intrusive personal searches. Air transportation is regulated by specific government agencies. Airports and airlines are required to abide by regulations concerning safety, routes, passenger rights, etc. Due to an increased concern about terrorism, airports have increased their security measures to reduce the risk of potential terrorists accessing airplanes as passengers. These measures include luggage and clothing inspections, pat downs, and body scanners to detect weapons that a person might have. Some travelers feel violated by the use of these techniques, and in the United States, some people believe the searches violate the U.S. Constitution's Fourth Amendment—the right to be secure of unreasonable searches and seizures. Some people may be annoyed with passport purchasing procedures, airline overbooking practices, and baggage fees; however, these issues do not relate directly to airport security.

SOURCE: BL:065

4. C
Don't rush. Remember that reading and following directions is not a race! It's important to take your time and follow the steps provided. Even if you're in a hurry, like Carmen, rushing through directions can actually end up taking more time if you have to spend time fixing your mistakes. It's important to accept responsibility, know the end result, and go in order, but Carmen did not ignore these steps in this example.

SOURCE: CO:119

5. D
He is not excited because his body language doesn't match his words. It's important for a listener to observe a speaker's body language to look for any mixed messages. If Amir says he is excited and looking forward to the job, but his body language doesn't show enthusiasm, he may be pretending to be excited. Thinking Amir is not excited because no one likes working in fast food is an assumption. Just because Amir said he is excited does not mean it is true. If a speaker's body language does not match his words, it does not necessarily mean he has poor communication skills.

SOURCE: CO:017
SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)
6. D
Melinda meets with her manager to discuss a possible promotion. A discussion between an employee and a supervisor about work-related issues is formal communication. Formal communication in the workplace involves behaving professionally and using a respectful tone. It also refers to communication that follows channels predetermined by the organization, such as those established in an organizational chart. Asking another person (coworker) for an opinion or brochure are informal forms of workplace communication. A possible firing in the workplace is an example of gossip, which is a type of informal communication that should be avoided.
SOURCE: CO:084

7. B
Persuasive. Persuasive writing attempts to convince an audience to perform a certain action, such as buying a product. Responsive writing is used to respond to some prior communication. Informative writing is used to transfer information to an audience. Writing in the passive voice transfers the object of the action into the subject position. Although the banner ad transfers information about the handmade toys, the purpose of the ad is to persuade people to buy the toys.
SOURCE: CO:039

8. C
Using email can create reputational risk for him/her if it is shared with others. Email can easily be intercepted and shared with others, so it is typically wise to avoid using email to share confidential information. It is legal to share negative information about a company with others. Slander and defamation are intentional acts to damage an individual or organization and do not apply to the situation described. Since consultants are hired to give expert and honest evaluations, an unfavorable review of a company is not likely to cause the consultant to be perceived as a negative or judgmental individual.
SOURCE: CO:202

9. D
In-person meeting. How you communicate information in the workplace is often as important as the information itself. Phone calls, emails, and letters can all be good ways to communicate with employees, but a face-to-face meeting is the best way to deliver bad news (or anything else personal). You can more easily communicate your sincerity when you meet with an employee face-to-face.
SOURCE: CO:092

10. A
Review the meeting agenda to gather necessary information. The agenda is a document that outlines or briefly describes the topics that are to be discussed during a meeting. Often, the meeting leader will distribute the agenda to meeting participants several days before the meeting. This enables the meeting participants to review the agenda so they can do research or gather information that will help them be prepared to discuss the meeting topics. The purpose of meeting may involve providing work-related status reports. Coworkers may not be part of the meeting, so they may not be able to help Olivia prepare for the meeting. Meeting leaders set the priorities (agenda) for the discussion.
SOURCE: CO:063
11. C
“I need to look into this, but will call you back by the end of the day with an answer.” Clients expect prompt, courteous service. If David needs to obtain more information, he should advise the client that he will call back with the correct information as soon as possible. David should be able to call the client back himself for routine questions instead of asking his supervisor to make the call. Asking the client to call back or telling the client to expect a call at David’s convenience is rude and is providing poor customer service.

SOURCE: CR:006

12. C
Decreased quality of customer service. The costs of customer service training programs are a challenge for the hospitality and tourism industry, especially with high turnover rates. However, training is essential to customer service, and without it, quality is sure to suffer. Terminating a customer service training program is not likely to lead to an increased number of repeat customers or a stronger financial standing. Although the training program has been terminated, management will not reduce its productivity focus.

SOURCE: CR:043

13. A
Allow the customer to express his/her feelings. Sometimes, frustrated customers want to complain and release anger. Allowing them to express their feelings might help them calm down and make a resolution more likely. Agreeing with a customer’s complaints is not a good idea because it undermines the authority of the company. Keeping the conversation in a public space is not a good idea because other employees or customers might hear the conversation, which could damage morale and reputation. Finally, disagreeing with each negative statement is likely to upset the customer rather than helping resolve the conflict.

SOURCE: CR:046

14. D
Consistent experiences. A brand promise is a business’s agreement (spoken or unspoken) with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. All messages and touchpoints should reinforce the brand promise in a consistent way. Brand characteristics vary among businesses and products but may focus on product quality. Businesses use many touchpoints to communicate their brand promises—employees, website, advertising, public relations activities, etc. All of the touchpoints and messages form the customers’ impressions of the business and influence their experiences with the business.

SOURCE: CR:001

15. A
Business success or failure depends on customer service. In the hospitality and tourism industry, success or failure depends on the level and quality of customer service. Customer satisfaction is heavily influenced by service, and the greater the customer satisfaction, the higher the revenues for the business. Customer service has a greater impact than price when it comes to a customer’s buying decision in this industry. Also, customer service can be taught through employee training programs; in fact, training is a crucial tool when it comes to ensuring high-quality customer service.

SOURCE: CR:049
16. **B**
   
   Ask a valet to help him with parking and luggage when he arrives. A guest speaker is an important part of a conference, so you should arrange to make his arrival as easy and stress-free as possible. He plans to eat something on the way to the hotel, so there's no need to keep his entrée warm. Cancelling his presentation or arranging for a video conference call would not be helpful because the speaker is planning to arrive on time for his speech.
   
   **SOURCE:** Cr:053
   

17. **D**
   
   Responding to negative and positive online reviews. Online reviews of products on social media can have a huge impact. A business can increase customer satisfaction post-sale by responding to online reviews. This shows that the business cares about its customers and can lead to repeat business. Posting about the release of a product line, obtaining new followers that could make a purchase, and offering discounts for first-time customers are not related to customers' post-sale experiences.
   
   **SOURCE:** Cr:028
   

18. **B**
   
   Human resources. Human resources are people, or employees, valued for mental and physical labor. Paul's Pizza lacked the employees, or human resources, needed to continue business operations. Natural resources are found in nature and used to produce goods and services. Capital goods are manufactured materials used in the production of goods and services. Economic wants are desires for items that can be valued in terms of money.
   
   **SOURCE:** Ec:001
   
   **SOURCE:** LAP-EC-006—Are You Satisfied? (Economics and Economic Activities)

19. **D**
   
   Inelastic. Inelastic demand exists if the demand for a good or service is constant, even if the product's price changes. Some products are considered necessities that consumers must purchase regardless of their cost. For most consumers, gasoline is a necessity because they need to drive their cars. Elastic demand changes when prices change. Discretionary and inessential are not terms commonly used to describe demand.
   
   **SOURCE:** Ec:005
   
   **SOURCE:** LAP-EC-011—It's the Law (Supply and Demand)

20. **A**
   
   Economic. Economic trends, including unemployment, have an impact on business. The salon's sales are likely to decline in a time of high unemployment because fewer people have money to spend on luxury goods. Sociocultural factors include population changes, fashion trends, etc. If the business specialized in spa services that became unfashionable, it may see sales decline for sociocultural reasons. Technological factors deal with shifts in the type of technology available/used. Governmental factors are controlled by the government, such as changes in the tax rate or government regulations.
   
   **SOURCE:** Ec:105
   
   **SOURCE:** LAP-EC-105—What’s Shakin’? (Factors Affecting the Business Environment)

21. **B**
   
   Transferring. Contractual agreements, such as warranties, are one way to transfer risks to another person or business. This option enables businesses to move forward with their decisions without bearing the risks involved. Marlon might not be able to afford to pay for a new oven if this one breaks, but because he's transferred the risk to the oven company, he knows they'll replace it if he has any problems. Avoiding risk is demonstrated by not taking a chance, as a risk not encountered presents no danger. Preventing or controlling a risk happens when a business takes measures to prevent or reduce the risk. Businesses retain a risk if they do nothing to reduce or eliminate it.
   
   **SOURCE:** Ec:011
   
   **SOURCE:** LAP-EC-003—Lose, Win, or Draw (Business Risk)
22. C  
Hyperinflation makes running a business more difficult and unpredictable. Hyperinflation makes running a business more difficult and unpredictable. Prices may go up, but costs also rise, and profits fall, limiting business potential. Inflation raises interest rates; it doesn't lower them. Hyperinflation would likely lower the value of exports as well.  
SOURCE: EC:083  
SOURCE: LAP-EC-083—Up, Up, and Away (Inflation)  

23. C  
The GDP for China. MacBook computers produced in China would be part of the GDP for China, not for the U.S., because their production occurred outside the boundaries of the U.S. Government purchases include everything purchased by local, state, and federal governments. The manufacturing of computers in China contributes to China's economy but does not automatically create improvements to the community known as community revitalization.  
SOURCE: EC:017  
SOURCE: LAP-EC-001—Measure Up? (Gross Domestic Product)  

24. C  
Strive to communicate clearly. Avoiding the use of slang is a way to communicate more clearly with those from other cultures who might not understand the hidden meaning of the words. This is a communication issue, not necessarily an issue of respect, patience, or expecting differences to arise.  
SOURCE: EC:045  
SOURCE: LAP-EC-045—On Top of the World (Impact of Culture on Global Trade)  

25. A  
Body language. One of the ways that interest and enthusiasm can be demonstrated is through body language, which includes body movement. Verbal communication involves the use of words. Boredom is the opposite of interest and enthusiasm. Only a part of the server's personality is indicated in this situation.  
SOURCE: EI:020  

26. D  
Making excuses. Making excuses often means you are trying to convince yourself that what you are doing is okay. Dion may be tempted to think that it's all right to skip work because everyone is doing it or because his boss will never know. However, these are just excuses to justify making the wrong choice. Dion is not behaving ethically, being accountable, or acting with integrity.  
SOURCE: EI:004  
SOURCE: LAP-EI-004—Work Right (Demonstrating Ethical Work Habits)  

27. B  
You gain others' respect. Most people do not like to make mistakes, but everyone makes them from time to time. It's the way that a person handles a mistake or poor decision that is important. Taking responsibility means admitting the wrongdoing, accepting the consequences of the decision, and trying to do better the next time. When a person admits making a mistake, s/he is likely to gain the respect of others and gain trust. When people do not admit their mistakes or they blame others for mistakes, they are showing that they value their well-being over others, which is demonstrating self-importance. Most people do not trust individuals who do not accept responsibility for their actions or decisions, and are likely to be skeptical about those individuals' true motives. People cannot control others' opinions.  
SOURCE: EI:075  
SOURCE: LAP-EI-075—It's Up to You (Taking Responsibility for Decisions and Actions)
28. D
Being fair. Fairness means treating others the way that you’d like to be treated. Creating equal relationships encourages other people to trust you. People will be more likely to trust you if they know you treat everyone equally. Keeping promises, communicating often and openly, and taking responsibility for her mistakes are important techniques, but Siobhan is not demonstrating them in this example.
SOURCE: EI:128
SOURCE: LAP-EI-128—Trust in Me (Building Trust in Relationships)

29. B
A lack of consequences. The threat of punishment is one reason why most people behave properly. If a person knows that s/he won’t be punished for unethical behavior, s/he may consider acting unethically. This is not an example of pressure from others, the desire to prove oneself, or bad role models.
SOURCE: EI:124
SOURCE: LAP-EI-124—What's the Situation? (Reasons for Ethical Dilemmas)

30. B
Encouraging the speaker to give you all the facts. Listening carefully to others allows them to express their point of view and encourages them to provide you with complete information about the problem or situation. This should help you solve it. Demonstrating your command of body language is not a benefit of practicing effective listening. When listening carefully to others, you should not be thinking about unrelated things, such as your schedule for the day. Effective listening skills do not help you maintain control of the conversation.
SOURCE: EI:025
SOURCE: LAP-EI-014—Control Yourself! (Demonstrating Self-Control)

31. B
Leave the room immediately and shut the door. An employee who respects others’ privacy would leave the room when a coworker is on the telephone. Standing quietly until being noticed, coughing loudly, and shutting the door and waiting for the telephone call to end are not ways of respecting a coworker’s privacy.
SOURCE: EI:029

32. B
You overhear a coworker discussing her salary. Certain information about other people should be kept confidential to build trust, protect privacy, and abide by the law. In the workplace, individuals' salaries should be treated as confidential. Therefore, if you overhear someone disclosing her salary, you should not share that information with anyone; rather, you should keep it to yourself. You do not have to keep information about a meeting confidential, unless information discussed in the meeting was specifically stated as confidential. Recognizing an employee's performance does not require confidentiality, unless that employee chooses to remain anonymous. Finally, if a coworker has knowingly shared something on social media, s/he cannot expect that information to remain confidential.
SOURCE: EI:103

33. C
Ask for feedback and listen. It's very important to not only ask the other person for their feedback but to listen to what they have to say as well. You can then verify your understanding by summarizing the other person's comments or by asking additional questions. You don't want to focus on your overall feelings about the other person—instead, you should focus on your feelings about the person's behavior. You should apologize if you've yelled at or insulted a coworker. Avoid using "you" statements, as they tend to place blame and fault on the other person. Instead, try to use "I" statements, which convey your beliefs, perceptions, and feelings.
SOURCE: EI:015
SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)
34. B
Efficiency. When people with varying skills become accustomed to working together, they develop efficient practices and procedures that allow them to complete projects quickly and with few errors. Kaya could have tried to finish all of the work herself, but she would have been overwhelmed and unlikely to finish in time. Kaya's team of volunteers was more efficient and able to use their different skills to accomplish their goals in time. This situation does not depict the benefits of accountability, innovation, or social contact.
SOURCE: E1:045
SOURCE: LAP-EI-045—Team Up (Participating as a Team Member)

35. A
Geographic origin. Andrea and Stephen differ in their geographic origins. This refers to the part of the world and the type of area from which a person comes, and it influences who they are. The two coworkers do not necessarily differ in race, language usage, or age.
SOURCE: E1:036
SOURCE: LAP-EI-036—Everyone's Worthy (Treating Others With Dignity and Respect)

36. A
Idea generation. Coming up with an idea is the first step in the entrepreneurial process; without an initial idea, none of the other steps can be completed. A feasibility study is conducted to see if the idea is viable. Two steps in the feasibility study are illumination (where the idea becomes realistic) and verification (where the idea is found to be practical and useful).
SOURCE: EN:039

37. A
Credit. Credit is borrowed money that individuals can use to purchase goods and services when they need them. You get credit from a credit grantor, whom you agree to pay back for the total cost of the amount you spent (plus applicable interest charges) at an agreed-upon time. Matthew received $20,000 in credit from a financial institution to pay for college. He benefits from this credit because without it he may not be able to afford tuition. This example does not demonstrate the use of cash, debit, or bitcoin.
SOURCE: FI:058

38. A
The borrower defaults on the loan. When borrowers agree to a loan, they are making a legal contractual agreement to pay back the loan in a certain manner within a specific period of time. When the borrower does not have the collateral or credit history to obtain the loan, the lender often requests that another person cosign for the loan. A cosigner is responsible for paying the loan if the borrower defaults on it, which means the borrower does not make the scheduled payments to the lender. Changes in interest rates do not affect a cosigner's legal responsibility for paying the balance owed on a loan.
SOURCE: FI:063
39. **D**
Reconciling your checking account. The check register is a central location to record and track all of the checks that you write and the amount of money you spend in your checking account. Each month, you receive a bank statement that details your checking account activity. You should reconcile your check register with your bank statement to ensure that they match. This step is important for many reasons. For example, if you forget to enter transactions in your checkbook register, you may overdraft your account and be fined for insufficient funds. When you compare your bank statement with your checkbook register, you are not managing your mutual funds, reviewing credit card balances, or endorsing your paycheck.

SOURCE: FI:069


40. **C**
Reconcile the bank statement with your own records. You should keep your own records of your deposits, withdrawals, interest, and fees so that you can compare it to your bank statement. Comparing your records to the bank statement can help you find mistakes or fraud. Avoiding financial management software does not help you be sure that your bank statement does not have any errors. Paying with only cash does not help you ensure that your bank statement does not have any errors, and it is also not practical. Balancing your checkbook regularly is a good idea to help you maintain accurate financial records, but it does not necessarily make sure that your bank statement does not have any errors in itself.

SOURCE: FI:070


41. **D**
Lending investments. Investments in which individuals allow borrowers to use their money for a period of time for a specified fee or rate of interest are lending investments. Certificates of deposit and municipal bonds are types of lending investments. Ownership investments are those in which individuals purchase a portion or all of an item (e.g., stocks). Value stocks trade at lower-than-average prices because they have been overlooked or undervalued by investors. Commodities, which are often traded on stock exchanges, are inputs or goods used to produce other products such as oil, grains, gold, etc.

SOURCE: FI:077

SOURCE: LAP-FI-077—Invest for Success (Types of Investments)

42. **A**
No; this practice is known as underreporting. Not recording all of a company's revenue to avoid paying taxes is known as underreporting. Any sort of income tax evasion is a felony. Money laundering, which involves taking money from illegal sources and passing it through a business to make it seem legal, is not the same as underreporting. Even if other companies practice underreporting or if Mariana's boss asks her to do it, that doesn't make it legal. It's still an illegal practice that qualifies as tax evasion.

SOURCE: FI:353


43. **A**
Net income. A business's net income consists of all the money remaining after operating expenses are subtracted from gross profit. It's considered the “bottom line” because it's the final calculation on the income statement. Operating expenses and gross profit are not referred to as the “bottom line.” A profit-and-loss statement is another term for an income statement.

SOURCE: FI:094

SOURCE: LAP-FI-004—Watch Your Bottom Line (Income Statements)
44. D
Internal control procedures. Businesses often develop procedures to control cash or other assets in order to prevent loss. These fall under the category of internal controls. These procedures might include training employees on how to use the cash register, and requiring that they ring up each sale on the register and give receipts to all customers. These procedures help control cash by reducing the possibility of employees accepting payment from customers without recording the sale, charging the wrong price, or giving customers too much change. Businesses do not develop credit card restrictions, two-person teams, or break-even requirements to reduce the possibility of employees accepting payment from customers without recording the sale.
SOURCE: FI:113

45. D
15.42. Investors use the price-to-cash-flow ratio to determine the relative worth of a potential investment. A low price-to-cash-flow ratio is often an indication that the market has undervalued a particular stock, while a high price-to-cash-flow ratio can be a sign that the stock has been overvalued. The formula used to determine a company's price-to-cash-flow-ratio is Price-to-Cash-Flow Ratio = Current Stock Price / Cash Flow per Share. First, to determine the cash flow per share, divide the company's cash flow by the number of shares outstanding ($1,680,500 / 570,000 = $2.95). So, the cash flow per share is $2.95. Next, divide the current stock price by the cash flow per share to determine the company's price-to-cash-flow ratio ($45.50 / $2.95 = 15.42).
SOURCE: FI:541

46. A
Help new employees learn about the company. Employee orientation consists of activities that help new employees become acquainted with their surroundings. During orientation, the new employees typically receive general information about the company and its policies, meet their coworkers, and tour the facility. After orientation, the employees report to their new managers to obtain training and specific information about their jobs. Often, the business may have an experienced employee help train and/or mentor the new employee. Performance reviews are tools that businesses use to evaluate an employee's work performance.
SOURCE: HR:360

47. D
An uncomfortable working environment. Sometimes, employees do not respect each other's lifestyles and discriminate against each other because of them. When this occurs, employees might experience an uncomfortable work environment. This can damage productivity. Language barriers are a result of ethnic or cultural differences, rather than differences in lifestyles. Generational misunderstandings are not a result of disrespecting lifestyle choices.
SOURCE: HR:515

48. D
Fixing mistakes consistently and quickly. Customers who are pleased with the way the business handles problems are likely to recommend the business to others, which results in a favorable reputation for the business. On the other hand, a business that fails to apologize and fix mistakes is unlikely to keep customers. As a result, customers tell others about their negative experiences with the business, which can damage the business's reputation. The delivery of unpredictable product quality, the use of high-pressure sales techniques, and the use of minimal touchpoints to connect with customers are actions that are more likely to damage the business's reputation than safeguard it.
SOURCE: MK:019
SOURCE: LAP-MK-019—Just Do It…Right (Company Actions and Results)
49. **A**

Target market. A target market is the particular group of customers a business seeks to attract. Jake is a soccer player with a need for new cleats—he fits the target market for a soccer specialty store perfectly. A market segment is more specific—it is one of the groups into which the total target market is divided. For example, female goalkeepers or male defensemen are both market segments within the larger target population of soccer players. An industrial market includes customers or potential customers who purchase items for use in the operation of a business, for resale, or for making other goods. Geographic segmentation is the division of a market on the basis of where customers are located.

SOURCE: MP:003

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

50. **D**

Criticism. When assessing information, it is important to discern fact from opinion and criticism. The example is a statement of disapproval, which is criticism. It is based on opinion or beliefs rather than facts. Facts contain information or data that are indisputable and true. A theory contains ideas that intend to explain events or occurrences.

SOURCE: NF:077


51. **B**

Ethical; information management. Information management is the process of accessing, processing, maintaining, evaluating, and disseminating the business’s knowledge, facts, or data. The café is exhibiting ethical, cautious, and judicious behavior by implementing policies to protect its customers’ information. Customers are more likely to trust the café with their personal information because the café states its privacy policies on its website. The privacy statement does not relate to the café’s product promotion, marketing research, or production procedures.

SOURCE: NF:111


52. **B**

Serves as a temporary holding area for files and programs. Random Access Memory, or RAM, is a temporary workspace that stores data and programs that the user is actively using. A computer containing a lot of RAM enables users to open and work on several files and programs at one time. When the user has finished working with a file or program, s/he saves or stores the information permanently on the hard drive. The video card is a component of the system that converts code so the user can view items on the computer monitor. The computer mouse is a tool that enables computer users to enter commands.

SOURCE: NF:084


53. **A**

Slide sorter. Presentation software programs allow users to present information by combining graphics, text, animation, photographs, and sound. Presentation software is used in business to create slide programs to support oral presentations. The slide sorter function allows you to view thumbnails of existing slides and move them around to different sections of the presentation. The transition function allows users to select different effects to move from one slide to the next. Promote paragraph is a function that allows users to move sub points, and bullet points to higher positions (e.g., sub points to bullet points or bullet points to titles) in the slide text. The note master function allows the user to create speaking notes from the slide text.

SOURCE: NF:008

54. C  
Labor costs. Automated guest check-in and check-out services reduce the need for staff. The need for less staff lowers the hotel’s labor costs. Lower labor costs benefit the hotel because it is not paying staff to perform check-in and check-out tasks, which increases its profitability. Automated guest services do not lower maintenance problems, security needs, or billing errors.  
SOURCE: NF:106  

55. B  
360. Businesses often analyze the information in customer databases to determine where customers live and how much they spend. To determine the number of customers who live in the Northeast and purchased $50 or more worth of goods last month, first calculate the percent of people living in that area by adding the percentages that live in the other areas (21% + 28% + 27% = 76%). Then, subtract that figure from 100% to determine the percent of customers in the Northeast (100% - 76% = 24%). Multiply the total number of customers by 24% to find the number of customers (3,000 X 24% or .24 = 720). Half of the 720 customers who live in the Northeast purchased $50 or more worth of goods last month. Calculate this number by dividing 720 by 2 (720 / 2 = 360).  
SOURCE: NF:185  

56. A  
Measuring the success of marketing campaigns. Web analytics allow you to collect data about visitors to your website. One of the benefits of doing so is being able to measure the success of digital marketing campaigns. You can track which campaigns lead to more page views and clicks, which allows you to make smarter marketing decisions in the future. While tracking analytics can help you reduce page bounces, it does not prevent them altogether. Tracking analytics is not necessarily related to discovering new sales tactics. Finally, tracking analytics does not necessarily save money on web hosting costs.  
SOURCE: NF:205  

57. D  
Data mining. Data mining is the process of sorting through data to discover underlying connections and predict future trends. By studying his company’s sales data from the previous five years, Arthur was engaging in data mining—not the selling process, competitive analysis, or customer retention. The selling process is the process used by salespeople to convince customers to make a purchase. Competitive analysis involves researching a company’s competitors, and comparing the competition’s strengths and weaknesses to the company’s strengths and weaknesses. The overarching activity of customer retention is not generally defined by a single process.  
SOURCE: NF:148  

58. D  
Food service decreased when the resort was filled to capacity. A decrease in food service is an anomaly because food service is much more likely to increase when the resort is filled to capacity. The resort is likely to be booked on the busy holiday weekend by families free to travel during that time. It is common for website visitors to view nearby hotels, restaurants, and nearby holiday attractions.  
SOURCE: NF:149  
59. B
Developing tour products specifically designed to appeal to retirees. Demographics are the physical and social characteristics (e.g., age, gender, education) of a population or market segment. Businesses consider demographic trends because changes in the population have an effect on the existing and potential products they market. Because trends indicate that a large segment of the population is aging and reaching retirement, hospitality/tourism businesses are developing products to attract retirees who are no longer in the workforce and have more time to travel. Tour products designed for retirees would not likely appeal to recent college graduates, families with young children, or business travelers.
SOURCE: NF:013

60. D
Responding to guests' lifestyle trends. Lifestyle trends are changes in the way people live their lives. One example of a lifestyle trend is fitness and health. Hospitality businesses should track and respond to lifestyle trends, such as the resort adding a state-of-the-art gym, healthy dining, and a personal trainer. This example is not related to economic impact, regulatory penalties, or becoming a globalized business.
SOURCE: NF:287

61. D
Write an exploratory report. Exploratory reports present facts so readers can understand an issue or situation. They are useful when explaining concepts or results. The general manager wants to know information about recent technological changes, so a written informational report would be appropriate. The general manager has not asked for a recommendation, so the IT director should not make one. Purchasing new software is not the most effective way to teach the general manager about recent technological changes. Finally, the general manager has not requested analytical data because he has not asked for the reasons why or how the technological changes have occurred.
SOURCE: NF:292

62. D
Adventure. The hospitality industry is developing ways to accommodate niche markets. Trends indicate that many niche markets are growing. Some of these markets include the baby boomers, health-conscious people, and adventure travelers. Adventure travelers include people who enjoy nature and often enjoy taking risks. Adventure travelers enjoy activities such as skydiving, mountain biking, and race car driving. Geotourism (or environmental tourism) refers to a market that is interested in unique or threatened outdoor environments, such as the rainforest. Agriculture enthusiasts are members of a niche market called the agritourists and often visit working farms.
SOURCE: NF:048

63. B
Determine if the guest has enough available credit to pay for the room. Upon check-in, if the guest is paying with a credit card, the clerk will use the information on the credit card to verify that the guest has enough available credit to pay for the room for the entire stay. Even if the guest would prefer to have their credit card charged in advance of their stay, the hotel would not charge the guest for any room service until that service has been ordered by the guest. The clerk would not need any credit card information to make a reservation at the hotel restaurant. Any voucher created at the front desk would not require the addition of any credit card information.
SOURCE: NF:060
64. B  
Desire for profit. Businesses must learn to balance their ethical obligations with their desire for profit. Maximizing profit in ethical ways is the main ethical conflict in operations and in all of business. Businesses should not need to balance ethical obligations with legal obligations, productivity requirements, or employees' schedules.
SOURCE: OP:190  
SOURCE: LAP-OP-190—Above Board (Ethics in Operations)

65. D  
Share this information with your supervisor or the HR department. Discussing weapons at work and displaying obvious signs of anger or hostility are indicators of potentially dangerous behavior. While there is some chance that Edward will calm down soon, it would be wise to share your observations with your supervisor or the HR department, especially given his recent attitude and behavior. Your supervisor or the HR department can then decide how to handle the situation. Rather than contacting the local sheriff or police chief to discuss Edward's mood, you should start by sharing your knowledge with someone inside your company, such as your supervisor or a member of the HR department. Accusing Edward of plotting violence during a staff meeting is likely to antagonize Edward, making the situation worse.
SOURCE: OP:152  

66. B  
Dynamic. Businesses rely on projects because the business environment is dynamic (always changing). Projects allow businesses to take advantage of new opportunities at a moment's notice. The business environment is not necessarily hard to understand nor is it inflexible. The business environment is full of competition, another reason it's important for businesses to undertake projects.
SOURCE: OP:158  
SOURCE: LAP-OP-158—Projected To Win (Nature of Project Management)

67. C  
Gaining a clear understanding of what is needed. The end result of identifying resources should be a clear understanding of what is needed for the project to succeed. This will help you be ready for unforeseen problems, although it won't eliminate them. Identifying project resources will not necessarily help you become a better, more cooperative team member or help you become more independent.
SOURCE: OP:003  
SOURCE: LAP-OP-531—Get What You Need (Identifying Project Resources)

68. A  
Locate backup sources of goods and services. It's important for purchasing specialists to be sure they can get the goods and services they need when they need them. It's good to have backup sources because if a purchasing specialist doesn't do his/her job correctly or get the items or services that the business needs, then the business cannot produce its finished good or service. That could lead the business to lose money or maybe even close. A purchasing specialist doesn't necessarily want to purchase as much as s/he possibly can; instead, s/he should purchase in amounts that make sense economically. Getting a good price is important, but a purchasing specialist does not want to do so at the expense of his/her relationship with the supplier. Although some companies require purchasing specialists to always choose the lowest bidder, buyers are often permitted to select the bidder with the best overall terms, including quality and quantity, even if that supplier's price isn't the lowest.
SOURCE: OP:015  
SOURCE: LAP-OP-002—Buy Right (Purchasing)
69. A
Purchasing efficiency. Purchasing efficiency is a performance measurement that relates to how well the purchasing department is performing against the budget that is in place for the department. Purchasing functionality is a performance measurement that measures the department against the functional requirements to provide the correct item at the right time at the lowest cost. Supplier relationships are not a performance measurement, although good supplier relationships should increase performance. Purchasing improvements would be measured from past measurements.
SOURCE: OP:247

70. D
MRO. MRO (maintenance, repair, and operations) inventory refers to supplies consumed during production, such as cleaning products, office supplies, and repair tools, that do not become part of the finished product. Finished goods inventory refers to the completed products that are ready to be marketed. Work-in-process inventory refers to products that are being used to make the finished goods. Raw materials inventory refers to the component parts that have not yet been used in production.
SOURCE: OP:336

71. A
Its selling price. A price markup is the difference between how much it costs to make a product and its selling price. A product may go through several markups before it reaches its final selling price. A price markup does not indicate anything about how much employees make, what was estimated in the budget, or the company's gross profit.
SOURCE: OP:024
SOURCE: LAP-OP-009—Watch Your (Over) Head (Overhead/Operating Costs)

72. C
Contact the supplier to resolve the discrepancy. Businesses monitor and track their suppliers' invoices to make sure they are billed correctly. If the business finds a discrepancy (e.g., incorrect discount amount) on the invoice, the business should contact the supplier to make necessary adjustments. In many situations, the supplier will send the business a revised invoice with the correct information. By paying an invoice that is higher than stated in the original purchase order, Kara is tying up funds that the business can use for other things. If the supplier does not take steps to correct the invoicing error, it might be appropriate to send a complaint to the supply company's president; however, Kara should begin the process by contacting the appropriate supply-company employee (e.g., salesperson). The supplier needs to generate a corrected invoice, not the business itself.
SOURCE: OP:184

73. C
Volume discounts on supplies. Supply chain members often have the opportunity to purchase supplies together, which allows the companies to take advantage of volume discounts offered by suppliers. Although collaborating with supply chain members may give companies access to detailed procurement information and help them build good relationships with suppliers, those are not financial benefits of supply chain collaboration. Supply chain collaboration can reduce transportation costs, not eliminate them.
SOURCE: OP:444
74. A
Limit installation of outside software programs. Companies should set clear standards for what employees can install and keep on their computers at work. Outside software programs can bring security risks to a company’s network and data. Using the same password for all accounts is not a good strategy because it makes accounts more vulnerable to hacking. Backing up your work is a good strategy for protecting customer data. Finally, giving all employees access to customer information is risky. Instead, information should be restricted to only those who need it.
SOURCE: OP:518

75. B
Avoid direct contact with sharp objects and bacteria. Wearing disposable gloves when emptying trash containers prevents direct skin contact with bacteria, sharp objects (e.g., broken glass), and dangerous chemicals that can harm the employee's hands and spread blood-borne pathogens. Wearing disposable gloves does not prevent damage to floors and furniture, decrease the risk of security breaches, or reduce the risk of inhaling dangerous fumes. To reduce exposure to fumes, employees should wear ventilation masks.
SOURCE: OP:134

76. D
Electronic key cards. These offer excellent security for hotel guests as they do not contain a hotel room number, so that if one is lost or stolen it cannot be easily traced. Metal detectors are used in airports to check passengers entering boarding areas. Retailers use radio frequency identification tags, which are attached to expensive merchandise, to reduce the risk of shoplifting. A property management system is used to store information about reservations, room availability, and room rates.
SOURCE: OP:115

77. C
Not everyone communicates the same way. We need creativity in communication because not everyone communicates the same way. For example, there are cultural differences in nonverbal communication that may require you to get creative when sending and receiving messages from certain people. Most people know the basics of communication and don't necessarily get tired of the usual methods. Email can make communication more difficult, but it can also make it easier!
SOURCE: PD:012
SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

78. A
Penelope, who asked a successful veteran coworker to serve as her mentor. Employers expect their employees to exhibit certain characteristics and behaviors. For example, they expect their employees to possess good listening skills, work well with team members, be respectful, respond to requests for information promptly, and have a positive attitude. Employees are more likely to meet their employers' expectations if they look to others in the workplace for guidance and advice. A reliable, successful veteran coworker can serve as a mentor to a new employee, sharing his/her wisdom and suggestions for being an effective employee and meeting the employer's expectations for proper behavior. Charlene, Dave, and Tim do not meet common employer expectations for employees.
SOURCE: PD:020
79. **D**

The type of training and education that entrepreneurs need depends on the nature of the startup business. For example, the owner of a new bed-and-breakfast inn might want to get training in various aspects of the hospitality industry. An entrepreneur who wants to be a self-employed architect needs to have a background in drafting and design. Many successful entrepreneurs have college degrees, but it cannot be assumed that most of them do. Successful entrepreneurs continue their professional development throughout their careers. Some startup business owners, such as lawyers, need to pass exams to practice their vocation, but it cannot be assumed that most entrepreneurs do.

SOURCE: PD:066
SOURCE: LAP-PD-066—Own Your Own (Career Opportunities in Entrepreneurship)

80. **B**

Researching prospective employers. By researching a company on the Internet, you can obtain a wealth of information that would be useful to you in your job search. This research would probably include such things as products offered, location, size of the company, sales, company image, problems, employee benefits, etc. Knowing about a company can enable you to size up how well you'd fit in with the company. Although you could use the Internet to search for a company's product reviews or if they have any pending lawsuits, these should not necessarily influence a decision about whether or not to apply for a job. Searching for careers that pay the most might result in useful information for career planning or deciding on a course of study in college, but is probably not that useful in looking for a job.

SOURCE: PD:026

81. **B**

Theo attends a seminar about product-standard changes that are affecting his industry. Professional development consists of steps that an individual takes to enhance or improve skills or traits that are needed to excel in her/his career or profession. Attending a seminar to learn about changes that are occurring in your field or industry is one form of professional development. Zoe and Talia are performing work-related tasks, and Nick is asking a work-related question.

SOURCE: PD:036

82. **A**

Transportation advancements increase the demand for hospitality services. The development of the automobile and airplane, as well as roads and highway systems, in the past century has made travel faster and easier. As a result, more people are traveling for business and pleasure, which increases the demand for hospitality services. Political factors do, in fact, influence the development for hospitality services. For example, the end of the cold war, marked by tearing down the Berlin Wall, increased opportunities for travel to various countries. As travel increases, the need for hospitality services increases. Because of advancements in the transportation industry (e.g., automobile and air travel), the hospitality industry has grown and changed significantly in the past one hundred years. An increase in tourism would create a higher demand for hospitality services.

SOURCE: PD:105

83. **C**

Train, car rental, and airline. The focus of the travel industry is transportation. Train, car rental, airline, bus, cruise ship, taxi, and ferry services transport travelers from one place to another. Lodging provides sleep accommodation for travelers. Convention planning and visitor services are components of the tourism industry. Recreation services provide rest, relaxation, and enjoyment activities. These activities vary greatly and include things such as spectator sports, spa services, museums, amusement parks, camping, etc.

SOURCE: PD:111
84. C  
For the use of a hotel's services. Price in the hospitality industry is the amount that guests pay for the primary services provided by a hotel. In most situations, the price is the amount guests pay for one night's lodging, which is considered the main service. However, some hotels provide other services that are included in the price of the room such as an exercise facility, swimming pool, shuttle service to the airport, etc. The money that a guest pays to make a future reservation is a deposit, which is refundable if the guest cancels within a certain period of time. Guests are not charged for requesting additional towels.  
SOURCE: PI:029  

85. B  
Commercialization. Commercialization is the step in the new-product development process at which a product goes into full-scale production, the marketing plan is put into place, service and sales training are conducted, and the product's life cycle begins. Idea generation is the initial step in the new-product development process and involves thinking up or creating new products and modifying existing products. Product development is the step in the new-product development process in which a working model may be tested, modified, and retested. Test marketing involves introducing a product to a limited market to see what its acceptance will be.  
SOURCE: PM:001  
SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

86. A  
Expansion. A business may expand its product mix by adding additional product items or lines. There are a number of reasons why a business may choose an expansion product-mix strategy, including satisfying customers' desire for variety, offering customers complementary products, spreading risk over a wider area, appealing to a new market, increasing sales and profits, enhancing the company's reputation, and making more efficient use of the company facilities. Contraction means removing product items or lines from the product mix. When a company decides to add a higher priced product or line to its mix, it is using a trading-up strategy. When a company decides to add a lower priced product or line to its mix, it is using a trading-down strategy.  
SOURCE: PM:003  
SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)

87. D  
Product bundling. Product bundling involves combining several goods and services and offering them to customers as one product. Usually, the bundled products are offered for one, all-inclusive price. Offering a package that includes accommodations, meals, and a sightseeing trip is an example of product bundling. In the hospitality industry, it is common for hotels to develop weekend packages to encourage guests to stay at the properties during times when the hotels are not filled. Offering a weekend package is not an example of price positioning, individual selling, or target advertising, although hotels might target the package to a specific audience.  
SOURCE: PM:041  

88. C  
Valet parking. A service is an intangible product; one that can be felt, seen, heard, or experienced rather than touched. Many hospitality businesses offer valet parking as a service for their guests. Valet parking service occurs when a hotel or restaurant employee parks and retrieves the guests' vehicles upon the guests' arrival or departure from the business (e.g., hotel, restaurant). Meals, airline tickets, and electronic room keys are tangible items.  
SOURCE: PM:095  
89. A
Product extension. A product extension is an additional product related to, but different than, the main travel product in which the company uses its established brand name to launch a new product line. Product bundling refers to grouping products together for and offering a discounted price. Product contraction refers to the removal of an existing product from the market. Product modification refers to changing certain aspects about a product to make it more appropriate for a target market.

SOURCE: PM:099

90. B
Remind customers. Reminder promotions seek to reinforce a favorable company image that is already present in customers’ minds. Because the guest is already staying at the hotel and the promotional materials do not include unknown information, the hotel would not be using the materials to inform. These specific promotional materials are not being used to collect feedback or identify customers.

SOURCE: PR:001
SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

91. B
Coupons. A coupon is a certificate or part of a printed advertisement entitling the holder to a reduced purchase price. Hotels and motels often use coupons as an effective method of promoting their facilities to new customers. The objective is to attract new customers with reduced rates and encourage them to become regular guests. Prizes, contests, and awards are other types of promotional methods that do not involve discounts.

SOURCE: PR:082

92. A
Increased sales. Continuous improvement is an ongoing process that looks for ways to increase the levels of excellence in relation to a process, good, or service. A potential benefit of improved processes is increased sales. When quality improves, customer satisfaction levels often increase, which often results in a higher demand for the business’s goods and services. Continuous quality improvement processes can increase productivity (outputs), which lowers costs and increases profits.

SOURCE: QM:003

93. B
Managers override control processes. An internal control system consists of procedures and practices designed to ensure compliance, protect resources, and increase reliability of company data. When managers fail to follow procedures, they hinder the company's ability to control internal risks. Maintaining detailed audit trails, communicating the importance of internal risk control to employees, and continuously monitoring the control efforts are actions that help the business control internal risks.

SOURCE: RM:058
94. B
Trade shows. Trade shows are sponsored by many businesses within the same industry as a way of promoting their goods and services and generating customer interest. Salespeople often attend trade shows to talk to their colleagues in the industry and obtain additional information about new and existing products. Salespeople can see products being demonstrated and have the opportunity to ask questions to obtain product information that will help them sell. Union events are sponsored by labor unions and usually concern wage and benefit issues of interest to their members. Sales meetings are held within individual businesses or departments of a business to discuss specific sales activities. Open houses are primarily social events designed to introduce a business to the community.

SOURCE: SE:062

95. D
Follow up with the customer to ensure satisfaction. The selling process consists of several phases. Each phase is important and contributes to accomplishing the salesperson's goal of making a sale. The last phase involves reaffirming the buyer-seller relationship. This phase is important because it helps customers feel confident about their purchases, which may influence their decision to purchase from the business in the future. To reaffirm the buyer-seller relationship, salespeople follow up with the customer to make sure the customer is satisfied with the purchase. If the customer is not satisfied, the salesperson can take corrective action to ensure customer satisfaction. A sales presentation occurs during the phase in which the salesperson prescribes solutions to the customer's needs. Putting the customer at ease by being friendly and approachable occurs during the phase in which the salesperson is establishing a relationship with the customer. Taking the necessary time to handle the customer's objections occurs during the phase in which the salesperson reaches closure.

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

96. A
Special. A special order is a request for a custom product or a product that the property does not normally have on hand. A blanket order is an order that covers all or part of a retailer's seasonal requirements. A standing order is an order that involves sending specific products at set intervals. An open order is an order for staple goods that is placed with one of several available vendors who can meet the business's immediate requirements (e.g., time, price, quantity). Blanket orders typically are placed several months before the season and do not contain detailed specifications or shipping dates.

SOURCE: SE:478

97. D
Processing a financial transaction. When selling goods or services over the telephone, it is necessary to process the financial transaction. Today, many customers order products over the phone and pay with a credit card. When the business takes the credit card information from the customer, it then processes the information to complete the transaction of transferring funds to the business's account. Once the transaction is completed, the business has received payment for the tickets. Taking a customer's order over the phone and accepting payment with a credit card does not guarantee product satisfaction or reduce the possibility of counterfeiting. In many cases, products purchased over the phone are mailed to customers. However, taking the order and accepting payment is not an example of implementing a mailing system.

SOURCE: SE:329
98. **D**

$44.16. Pizza restaurants frequently offer special pricing and discounts to attract customers on nights that are not busy. To calculate the total of the bill with discounts, first calculate the discounted amount for the large pizzas by adding the cost of the three pizzas and subtracting $1 for each or a total of $3 ($10.95 X 3 = $32.85 - $3.00 = $29.85). Next, calculate the discounted price for the wings by multiplying the original price by the discount percentage rate and subtracting that amount from the original price ($6.95 X 20% or .20 = $1.39; $6.95 - $1.39 = $5.56). Next, multiply the price of soft drinks by the number of drinks ordered ($1.25 X 7 = $8.75). Add the totals to calculate the amount of the bill ($29.85 + $5.56 + $8.75 = $44.16).

**SOURCE:** SE:149


99. **A**

Strategy development. The central goal of managerial planning is establishing future goals and developing strategies to realize those goals. While capital fundraising and staff recruitment may be parts of this strategy, they are not the overall focus of managerial planning. Task performance may be an important aspect of management, but is not necessarily related to planning.

**SOURCE:** SM:063


100. **A**

Reduced sales. The location of a sports or entertainment facility often has an effect on sales. If consumers feel that a facility is located in an unsafe area, they may be reluctant to purchase tickets to events. This would result in reduced sales. Event promoters should be aware of consumers’ concerns for safety and schedule events in appropriate facilities. The location of a facility does not necessarily limit access or decrease parking. The length of an event would not be shortened because of the facility's location.

**SOURCE:** SM:076