THE BUSINESS ADMINISTRATION CORE EXAM IS USED IN THE FOLLOWING EVENTS:

PRINCIPLES OF BUSINESS MANAGEMENT AND ADMINISTRATION **PBM**
PRINCIPLES OF FINANCE **PFN**
PRINCIPLES OF HOSPITALITY AND TOURISM **PHT**
PRINCIPLES OF MARKETING **PMK**
1. To sell sweatshirts, jackets, and T-shirts imprinted with ABC University's logo, the Collegiate Sportswear Company pays royalties to the university. What type of business ownership does this situation exemplify?
   A. General partnership  
   B. Business-format franchise  
   C. Multi-level marketing  
   D. Licensing agreement

2. Which of the following is an effective strategy for identifying important information while reading:
   A. Skimming the text instead of reading it all word for word  
   B. Skipping the preface and introduction to spend more time on the main content  
   C. Paying special attention to headings, titles, and graphics  
   D. Reading only the first and last paragraphs of the text

3. It is effective to follow a step-by-step order when applying written directions to
   A. achieve tasks.  
   B. give commands.  
   C. read materials.  
   D. take notes.

4. Addison wants to encourage the speaker who is giving a presentation to her class, so she nods when the speaker makes a good point, makes eye contact, and uses other forms of __________ communication.
   A. negative  
   B. verbal  
   C. nonverbal  
   D. written

5. Which of the following is an example of personal financial information:
   A. Pay stub  
   B. Sales invoice  
   C. Expense report  
   D. Accounts payable record

6. Which of the following is a guideline that employees should follow to be effective listeners:
   A. Interrupt often  
   B. Ignore body language  
   C. Ask questions  
   D. Read directions

7. Which of the following is a factor that prevents some private enterprise systems from being considered pure private enterprise systems:
   A. Lack of any government regulation  
   B. Partial government ownership of business  
   C. Government quotas on production  
   D. Limited amount of government control

8. When providing legitimate responses to inquiries, it is usually best to begin by
   A. giving a standard response.  
   B. providing an appropriate answer.  
   C. making assumptions.  
   D. being sympathetic.

9. What is one of the qualities of a good telephone voice?
   A. Varying tone  
   B. Stern control  
   C. Monotone  
   D. Decisiveness

10. One way to effectively contribute to a group discussion when you don't know much about the topic being discussed is to
    A. ask questions to clarify what someone else is saying.  
    B. bring up a different topic that you know more about.  
    C. let the more informed group members handle the conversation.  
    D. quickly form an opinion to share with the group.

11. Which of the following should you be sure to do when taking notes:
    A. Use correct spelling and grammar.  
    B. Write as legibly as possible.  
    C. Write in complete sentences.  
    D. Try to write down everything the teacher says.

12. It is best to organize a report in chronological order when the subject matter is
    A. appeal based.  
    B. based on opinion.  
    C. time-oriented.  
    D. problem-oriented.
13. The Putnam Company requires its employees to use the Modern Language Association (MLA) stylebook when writing business documents because it provides
   A. accuracy.  
   B. creativity.  
   C. flexibility.  
   D. consistency.

14. Which of the following is an example of an informational message geared toward an external audience:
   A. A print advertisement  
   B. An employee handbook  
   C. An inventory report  
   D. An office calendar

15. When posting to social media, business employees should understand that
   A. social media posts do not have the same legal protection as private conversations.  
   B. there is no need to keep their personal and business lives separate.  
   C. their personal messages have no effect on their employer.  
   D. employers using social media to make employment decisions are protected by law.

16. It is appropriate for a participant to ask questions during a staff meeting when
   A. s/he does not agree with the speaker.  
   B. another participant is speaking.  
   C. the agenda is being distributed.  
   D. s/he needs a point clarified.

17. What is it important for an applicant to do during a job interview in order to be able to answer questions adequately?
   A. Respond quickly  
   B. Talk rapidly  
   C. Listen carefully  
   D. Dress appropriately

18. Businesses develop specific policies in order to increase their
   A. company benefits.  
   B. employees’ morale.  
   C. sales and profits.  
   D. inventory levels.

19. What type of difficult customer may be the most trying on your patience and do the most damage to the image of your business?
   A. Domineering/Superior  
   B. Disagreeable  
   C. Suspicious  
   D. Slow/Methodical

20. When customers complain, what is the general rule that business personnel follow in order to assure that customers receive fair and consistent treatment?
   A. Store policy  
   B. Store procedure  
   C. Customer service plan  
   D. Customer complaint plan

21. A company consistently fulfills its brand promise by using
   A. external publicity.  
   B. touchpoints.  
   C. product-line extensions.  
   D. tangible services.

22. What do you need to know in order to differentiate between consumer and industrial goods or services?
   A. Who sold the product and at what price?  
   B. Who produced the product?  
   C. Who bought the product and for what purpose?  
   D. Who bought the product?

23. What must happen before the consumption of any economic goods can take place?
   A. Payment  
   B. Scarcity  
   C. Capitalism  
   D. Production

24. Recently, the number of homes for sale in a metropolitan area has increased tremendously. However, the number of potential homeowners has declined. This market condition is called a
   A. buyer’s market.  
   B. law of demand.  
   C. law of supply.  
   D. seller’s market.
25. A business that produces a product should be socially responsible to the __________ of the product.
   A. producers  
   B. providers  
   C. endorsers  
   D. users

26. Those who are in favor of socialism believe that an important advantage of a socialist command 
   economy is
   A. benefit programs.  
   B. increased competition.  
   C. higher profits.  
   D. lower taxes.

27. A characteristic of an effective communicator is that s/he
   A. sounds like a recording.  
   B. speaks in a monotone.  
   C. commands attention.  
   D. uses frequent mannerisms.

28. In what type of market structure is it usually the most difficult for businesses to develop and grow?
   A. Mixed  
   B. Capitalist  
   C. Traditional  
   D. Socialist

29. Which of the following is a true statement about emotional intelligence:
   A. Emotional intelligence means ignoring your emotions.  
   B. Emotional intelligence can be defined in different ways.  
   C. Emotional intelligence means being an emotional person.  
   D. Emotional intelligence is less important than traditional intelligence.

30. Camilla believes that women tend to work more efficiently and focus more on important details than men 
   do. Camilla's personal bias is associated with a stereotype based on
   A. education.  
   B. age.  
   C. culture.  
   D. gender.

31. What do individuals often identify when assessing their personal strengths and weaknesses?
   A. Interests  
   B. Careers  
   C. Benefits  
   D. Risks

32. When you know what your values are and align your behavior with them, you will
   A. feel conflicted in your decision-making.  
   B. be able to set priorities and goals easily.  
   C. find fulfillment in career but not personal life.  
   D. never again struggle with an ethical dilemma.

33. When Jody finished her assigned duties, she began looking for another project that needed to be 
   completed. Which of the following traits is Jody demonstrating:
   A. Assertiveness  
   B. Innovation  
   C. Interdependence  
   D. Initiative

34. Ross supervises a team of employees, and he enforces a strict policy against tardiness, sternly criticizing 
   his employees when they are late. However, Ross regularly comes in late to work and misses important 
   meetings. Ross's integrity is lacking because he
   A. does not act in accordance with his values.  
   B. does not have any values.  
   C. is not honest with his staff.  
   D. does not respect confidentiality or privacy.

35. A customer is looking at an expensive product, but Vaughn knows that the product won't actually meet 
   the customer's needs. Instead, he suggests a less expensive model that will be a better fit. Vaughn is 
   building trust in his relationship with the customer by demonstrating
   A. dependability.  
   B. transparency.  
   C. consistency.  
   D. loyalty.

36. What is the first step you should take when resolving an ethical dilemma?
   A. Figure out who's affected.  
   B. Identify the dilemma.  
   C. Consider all your potential actions.  
   D. Reflect on the outcome.
37. Which of the following people best demonstrates commitment to his/her job:
   A. Shay does the bare minimum amount of work to get by.
   B. A manager insists that everyone arrive at the exact same time.
   C. Aria agrees to work late to reach an important deadline.
   D. Rob ignores meeting requests when he does not want to go.

38. To have a high tolerance for ambiguity, what must individuals learn to accept?
   A. Risk is always rewarded.
   B. Failure is not an option.
   C. Contingency plans are unnecessary.
   D. Outcomes are often uncertain.

39. Which step in the process of maintaining a positive attitude includes “thought stopping”?
   A. Think positively
   B. Surround yourself with positive people
   C. Have a sense of humor
   D. Act positively

40. Which of the following responses to a difficult situation would damage your professional image:
   A. Listening without interrupting
   B. Using inappropriate language
   C. Showing empathy toward others
   D. Controlling your facial expression

41. Which of the following comments by a supervisor is an example of destructive criticism:
   A. "If you try to work when you have such a cold, you may give it to customers."
   B. "Try both methods and decide which works better."
   C. "I would prefer that you do the job this way."
   D. "You must be stupid if you don't know how to do that by now."

42. Which of the following individuals is showing empathy:
   A. Victoria listens carefully to what others say.
   B. Rico likes to say exactly what he thinks.
   C. Bret prefers not to share his experiences.
   D. Nikki is a very quiet person who keeps to herself.

43. Candace accidentally opens an email sent by her employer with a subject line titled “Confidential information for Alyssa.” What should Candace do?
   A. Ask Alyssa if she was expecting an important email.
   B. Read it and share the information with Alyssa.
   C. Forward the email message to Alyssa.
   D. Close the email and tell her employer what happened.

44. When a group confronts a conflict, it is a good idea to
   A. remain judgmental.
   B. establish boundaries.
   C. compromise on some points.
   D. apologize for disagreeing.

45. It is important for effective leaders to be positive role models because
   A. most people tend to take unnecessary risks.
   B. people often imitate the behavior of their leaders.
   C. most people do not want to assume responsibility for their actions.
   D. people do not want to learn from their own mistakes.

46. When planning to make your vision a reality, you must first consider
   A. how many volunteers to hire.
   B. the wording of your mission statement.
   C. your personal financial goals.
   D. the resources that you will need.

47. Which of the following is a characteristic of someone who leads by example:
   A. Pessimistic
   B. Disinterested
   C. Plays favorites
   D. Enthusiastic

48. Adapting to a new situation is most likely to help a person
   A. avoid facing change.
   B. eliminate stress.
   C. develop confidence.
   D. stay comfortable.
49. Maria and Marcos work together and occasionally speak to each other in their native language and bring native foods to share with coworkers. Brett, a new employee, began to make fun of them because their _________ was different from his.
   A. formal education     C. lifestyle
   B. mental ability       D. ethnic heritage

50. Being tactful is an example of what type of behavior that builds positive working relationships?
   A. Being cooperative     C. Getting to know others on your work team
   B. Carrying your own weight D. Demonstrating courtesy and respect

51. Which of the following is an example of processing a transaction with a debit card:
   A. Jayden purchased a new video game from Great Deal Electronics using a store-issued card given to him by his grandfather.
   B. Tyler provided his card number and expiration date to the online travel agency so he could obtain his airline tickets now and receive his bill for the tickets later.
   C. After Ava finished her meal at an upscale restaurant, she presented the server with a card that provided Ava with a special discount off her bill.
   D. When Naomi purchased office supplies, she presented the cashier with a card that automatically withdrew funds from her business’s checking account.

52. Which of the following is fiat money:
   A. A $20 bill     C. Gold
   B. A check        D. A credit card

53. Every two weeks, Jana receives an automatic deposit in her checking account from her employer for work she has performed. This is an example of which form of income:
   A. Interest     C. Wages
   B. Rent         D. Dividends

54. A credit account in which the purchaser usually makes a down payment and signs a contract to make a series of scheduled payments and finance charges describes which of the following:
   A. Installment credit     C. Revolving credit
   B. Open account           D. Layaway plan

55. Max set a financial goal of saving $2,000 in the next year. On a whim, Max saw a new video game that he wanted, so instead of putting a portion of his paycheck in his savings account, he used that money to purchase the game. What barrier is preventing Max from reaching his goal?
   A. Impulsive spending     C. Unexpected needs
   B. Overuse of credit      D. Loss of income

56. Developing a personal budget is an effective way to
   A. pay bills.     C. calculate assets.
   B. manage money. D. increase debt.

57. For a school project, Megan needs to calculate her net worth. Using the following information, help Megan determine her net worth.

   Car value = $6,000
   Savings account = $250
   Credit card debt = $500
   Computer value = $100

   A. $5,850     C. $5,650
   B. -$5,850    D. $5,150

58. Which of the following is an example of a payroll deduction:
   A. Pay rate     C. Net pay
   B. Overtime hours D. Health insurance
59. The primary reason that people review their personal credit reports is to
   A. eliminate the risk of identity theft.
   B. change or update their credit ratings.
   C. ensure that they obtain bank loans.
   D. verify that the credit agencies have correct information.

60. How can a consumer find evidence of fraudulent credit accounts opened in his/her name?
   A. Obtain his/her credit score from a credit bureau.
   B. Review credit card statements for unauthorized activity.
   C. Review credit reports for the creation of unauthorized credit accounts.
   D. Contact his/her credit card company and ask if fraud has been detected.

61. One of the safest and most responsible ways to determine whether an expensive item you're interested
    in is worth the money is by
   A. buying the item to see for yourself.
   B. reading verified customer reviews.
   C. contacting the company.
   D. searching for other advertisements.

62. Which of the following is often considered one of the safest types of investments:
   A. Commodities
   B. Penny stocks
   C. Government bonds
   D. Precious metals

63. Why is it important to start early when planning for retirement?
   A. To take advantage of compounded interest
   B. To beat inflation rates
   C. To benefit from the time value of money
   D. To ensure that protections are in place for retirement plans

64. What action can individuals take to reduce the cost of their health insurance coverage?
   A. Make quarterly payments to the carrier
   B. Increase the amount of their deductible
   C. Increase the amount of their liability coverage
   D. Enroll in the carrier's disability coverage

65. As Justin is cooking, his sister reads the recipe directions to him out loud. Justin isn't sure if she said one
tea spoon of vanilla or two. He gives her a puzzled look, and his sister reads the directions again. Which
of the following steps for following directions does this situation illustrate:
   A. Take notes
   B. Accept responsibility
   C. Acknowledge directions verbally or nonverbally
   D. Eliminate distractions

66. The Apex Company is a large, growing company with finance, accounting, operations, and sales
departments. The company needs additional outside funding to pay for new buildings and equipment.
What business department is responsible for ensuring the monies are available when needed?
   A. Sales
   B. Accounting
   C. Operations
   D. Finance

67. Which of the following is a compliance issue:
   A. Performance management
   B. Conflict mediation
   C. Car-pool organization
   D. Minimum wage

68. Which of the following is part of the product/service management function:
   A. Getting products from producers to customers
   B. Deciding on the products that a business will produce or order
   C. Informing customers about new and improved products
   D. Conducting research to find out as much as possible about customers
69. Heather is writing a report about a controversial issue—the death penalty. Which of the following sources is a good choice for Heather's research:
   A. A blog post from a professor of economics at Harvard
   B. A press release from a group of anti-death penalty activists
   C. An article from a 1995 edition of the *New York Times*
   D. An article from the current issue of *Time* magazine

70. Irene has always kept and filed every piece of paperwork she receives. When she needs to find a specific document for her boss, Irene wastes hours looking through her filing cabinets before she finally finds it. What should Irene do to make her filing more efficient?
   A. Create a system and keep only what she needs.
   B. Store all of her documents virtually online.
   C. Hire a new employee to handle her files.
   D. Purge her old documents, throwing everything away.

71. Information management should ensure that information is
   A. inaccessible.
   B. abundant.
   C. pleasant.
   D. retrievable.

72. Payroll, hotel reservations, and sales orders are handled by a(n) __________ type of information system.
   A. executive support system
   B. knowledge work system
   C. decision support system
   D. transaction processing system

73. An electronic planning device that many employees use to keep track of their activities is an example of a
   A. presentation application.
   B. communication system.
   C. web-based program.
   D. time-management tool.

74. Which of the following is an example of a “stop” word that a search engine is most likely to ignore when retrieving query results:
   A. Hat
   B. Cop
   C. Sew
   D. The

75. An upscale department store tracks customer purchases made with store credit cards and then tailors promotional messages and merchandise offers to specific clients based on their purchases. What software allows the retailer to manage this strategy?
   A. Spreadsheet
   B. Word processing
   C. Database
   D. Systems tools

76. Which of the following is an example of an integrated software application:
   A. SMS
   B. Java
   C. Point-of-sale
   D. URL

77. When creating your business's web page, you make it possible for Internet browsers to identify and locate various elements of your page through the proper placement of
   A. HTML.
   B. hyperlinks.
   C. meta tags.
   D. ASCII.

78. A primary purpose of data mining is to
   A. develop services.
   B. stabilize sales.
   C. discover relationships.
   D. summarize ideas.

79. When operating machinery in the workplace, employees can reduce the risk of injury to themselves and damage to the machinery by
   A. reading the appropriate promotional materials.
   B. following the manufacturer's operating instructions.
   C. performing maintenance activities themselves.
   D. requesting a trained supervisor to operate the machinery.
80. Determine whether the following statement is true or false: Employees must be taught how to use equipment properly and the potential dangers of not doing so.
   A. True; well-trained employees always use safety precautions.
   B. False; employees know which equipment is dangerous and which is not.
   C. True; the business is responsible for creating a safe work environment.
   D. False; employees understand the hazards of misusing equipment.

81. Which of the following is a way for employers to prevent recordkeeping or payroll fraud:
   A. Require sales staff to observe customers on the selling floor
   B. Provide procedures for the personal use of office supplies
   C. Divide cash-related responsibilities among different employees
   D. Train salespeople to be familiar with prices

82. Which of the following restaurant assets would be considered intangible:
   A. The waiter’s uniforms
   B. An expensive oven
   C. The building
   D. A secret recipe

83. To establish weekly work priorities, employees should consider developing a list of
   A. routinely performed tasks.
   B. critical activities.
   C. short-term accomplishments.
   D. long-term goals.

84. Which of the following is most likely to affect a project’s planning process:
   A. Advertising
   B. Employee benefits
   C. Hiring procedures
   D. Budget

85. Which of the following is a corrective action you could take if your project has derailed:
   A. Refocusing scope
   B. Risk tracking
   C. Project failure
   D. Stakeholder management

86. Arnie needs to buy printer toner and copy paper from the company’s office-supply vendor. What is the first step that Arnie should take?
   A. Submit a receipt
   B. Request an invoice
   C. Prepare a purchase order
   D. Complete an expense form

87. Why does Dan order extra copy paper, Post-it notes, and printer ink cartridges for the department when he places an order for office supplies?
   A. To meet minimal expectations
   B. To ensure product quality
   C. To prevent stockouts
   D. To reduce the need to forecast

88. A business that produces products for which there is a steady, predictable demand for large quantities is most likely to use which of the following production processes:
   A. Continuous
   B. Intermittent
   C. Unit
   D. Batch

89. Owen and his lawyer have an agreement that protects the sensitive information that Owen shares. According to the agreement, Owen’s attorney can’t share his personal information with anyone else. This is an example of an agreement regarding
   A. confidentiality.
   B. security.
   C. privacy.
   D. transparency.

90. Betty is hard working, but she often comes to work in clothes that are spotted or wrinkled. Which of the following is the most likely reason why Betty has never been promoted?
   A. Job attitude
   B. Lack of skill
   C. Personal appearance
   D. Interpersonal relationships
91. Which of the following is a short-term goal:
   A. A salesperson wants to get five new clients this week.
   B. A student wants to earn a bachelor's degree.
   C. A new employee wants to become president of the company.
   D. A culinary student wants to open her own restaurant.

92. Which of the following is a category of innovation:
   A. Psychological  C. Piloting
   B. Product  D. Physical

93. The manager asked a few staff members for their opinions about what color to paint the office reception area. What decision-making style did the manager use in this situation?
   A. Moderate input  C. Autocratic
   B. Minimum input  D. Laissez faire

94. Why is it important to select an occupation that matches your aptitudes?
   A. Selecting a career based on your aptitudes will require less time in college.
   B. Matching aptitudes to careers leads to the highest possible income.
   C. A positive aptitude will allow you to succeed in any career.
   D. Considering your aptitudes will make achieving your career goals realistic.

95. Administrative support, operations management, and human resources management are types of ________ careers.
   A. agriculture, food, and natural resources
   B. government and public administration
   C. science, technology, engineering, and mathematics
   D. business management and administration

96. Which of the following statements regarding job applications is true:
   A. You should never include personal information that is inaccurate.
   B. You do not need to disclose any felonies you have been convicted of.
   C. It's okay to omit a previous job if you left on bad terms.
   D. Job applications require you to have a cosigner if you are under 18.

97. Which of the following would most benefit from a customer service mindset that helps reduce complaints and increase profits:
   A. Businesses  C. Customers
   B. Employees  D. Competitors

98. Which of the following are the best references to list in a résumé:
   A. Coworkers  C. Former employers
   B. Family members  D. Classmates

99. What do many businesses provide their employees to encourage them to continue their education to gain additional skills and knowledge?
   A. Discretionary income  C. Expense account
   B. Workers' compensation  D. Tuition reimbursement

100. Jayne Jacobs is the assistant sales manager for Progressive Electronics. Using a hierarchical chain of command, Jayne is most likely to report to
   A. Tom Mitchell, vice president of operations.
   B. Paula Cardenas, vice president of sales.
   C. Mark Peterson, sales manager.
   D. Marjorie Lazarus, customer service supervisor.
1. D
Licensing agreement. A licensing agreement is a business structure that requires the authorization or permission from an owner to another entity to use trademarked, copyrighted (e.g., logo, name), or patented material for a specific activity during a specific time period for the profit of both parties. In the example, the sportswear company pays the university to use its logo, so the business arrangement involves a licensing agreement. A business-format franchise is a franchise arrangement in which the franchisee must operate under the trade name of the parent company that provides continuous assistance in setting up and operating the business. Multi-level marketing refers to a business, usually well known, that pays commissions on sales earned to people at two or more levels. The sales representatives usually work independently of the company. A general partnership is a form of business ownership in which two or more individuals own the business, and each partner shares responsibility for the business's liabilities.

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

2. C
Paying special attention to headings, titles, and graphics. One of the best strategies for extracting important information from a text is to pay attention to headings, titles, and graphics. These elements often point the reader to the main issues presented in the text and can help the reader better comprehend the information s/he is reading. It would be unwise to skip or simply skim any portion of a text. Important information could be presented in any section, including the preface or introduction.

SOURCE: CO:055 Extract relevant information from written materials

3. A
Achieve tasks. Business employees often are expected to apply written directions to achieve tasks, such as operating a new piece of office equipment. When applying written directions, it is effective to follow a step-by-step order to be able to perform the task correctly. Most written directions are explained in a step-by-step way because they must be performed in a certain order. Employees do not apply written directions to give commands, read materials, or take notes.

SOURCE: CO:056 Apply written directions to achieve tasks

4. C
Nonverbal. Nonverbal communication involves the use of gestures or facial expressions, rather than the use of words. Nodding and making eye contact are ways of communicating nonverbally. Verbal communication involves the use of words. Addison is not communicating through writing. This is not negative communication because it is encouraging the speaker.

SOURCE: CO:082 Explain communication techniques that support and encourage a speaker

5. A
Pay stub. A pay stub is a piece of personal financial information—it shows the wages a person earned during a certain period of time. Sales invoices, expense reports, and accounts payable records are all examples of business-related financial information.

SOURCE: FI:579 Describe the need for financial information
SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)
6. C
Ask questions. Effective listeners concentrate on what is being said and ask questions when they don't understand or want clarification. Managers often assume that employees know more than they do and give incomplete or vague instructions. Employees should pay close attention to what is being said and ask questions to make sure they understand. Employees should not interrupt often, only when it is necessary to clarify a point they don't understand. Employees should observe a speaker's body language because nonverbal clues also send a message. Reading directions will not help employees be effective listeners.
SOURCE: CO:017 Demonstrate active listening skills
SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)

7. D
Limited amount of government control. Most private enterprise systems, such as the one that exists in the United States, are not pure private enterprise systems because there is a limited amount of government control. In this system, individuals and businesses are the primary economic decision makers, while government helps regulate and control the system. In a pure private enterprise system, there is no government control. In a socialist command system, government owns part of the means of production. In a communist command system, the government places quotas on production. There is a lack of any government regulation in a traditional economic system.
SOURCE: EC:009 Explain the concept of private enterprise
SOURCE: LAP-EC-015—People Power (The Private Enterprise System)

8. B
Providing an appropriate answer. Businesses receive inquiries on a regular basis. The inquiries might come from customers, suppliers, or business associates. The purpose of an inquiry usually is to ask a question. Therefore, when providing responses to inquiries, it is usually best to begin by providing an appropriate answer. Many inquiries are routine questions; therefore, it usually is not necessary to be sympathetic. Making assumptions and providing a standard response may not answer the questions asked.
SOURCE: CO:060 Provide legitimate responses to inquiries

9. A
Varying tone. Employees who answer the telephone for a business should not speak in a monotone but vary the tone of voice to reflect their interest and enthusiasm. Their voices should project sincerity, be easy to understand, and have a friendly tone. Decisiveness and stern control might give a negative impression.
SOURCE: CO:114 Handle telephone calls in a businesslike manner

10. A
Ask questions to clarify what someone else is saying. If you don't know much about the topic at hand, you might feel that you have very little to contribute. But, one way to participate even if you're not an expert in the subject is to use a questioning technique to clarify what someone else is saying. You might ask a question that rephrases or builds on another person's statement. You shouldn't bring up another topic that you know more about—it's important to remember the purpose of the discussion. Although the people who know the most (or have the most experience) naturally tend to lead the conversation, that doesn't mean you should completely check out. Focus on paying attention so that you can ask clarifying questions when appropriate. You may be eager to contribute, but that doesn't mean you should voice an uninformed opinion. You might say something inaccurate, which wouldn't help the overall purpose of your conversation.
SOURCE: CO:053 Participate in group discussions
11. B
Write as legibly as possible. Even though you may be writing your notes quickly, it's important to write as neatly as you can. After all, your notes won't be very helpful if you can't even read them later! You shouldn't worry about using correct spelling and grammar when taking notes. It's more important to focus on content. You also don't need to write in complete sentences. This will only slow down your note-taking. It's impossible to write down everything the teacher says; instead, just try to capture the main points and important information.

SOURCE: CO:085 Utilize note-taking strategies

12. C
Time-oriented. Chronological order presents information in time sequence. It is useful to use a chronological format when describing historical information, sales figures, or processes. When writers use this format, they describe steps or events in the sequence in which they occur, which helps the readers understand the content because it is presented in a logical manner. Reports that are organized in chronological order may address problems, include opinions, or try to persuade (appeal to) audiences to take a certain course of action—depending on the purpose of the report.

SOURCE: CO:086 Organize information

13. D
Consistency. Many businesses and industries develop documents using a specific style, which entails following certain writing standards. By using a specific style, all of a business's or an industry's documents are consistent throughout the company or field. Writing styles provide guidance to the writers in regard to the correct usage of mechanical elements (e.g., punctuation) but do not provide creativity or flexibility. Stylebooks cannot verify the accuracy of the document's contents.

SOURCE: CO:089 Edit and revise written work consistent with professional standards

14. A
A print advertisement. Informational messages involve communicating data, facts, or knowledge to a message receiver. Print advertisements communicate information about a business's products to customers or potential customers, which are external audiences. An employee handbook, an inventory report, and an office calendar are types of information provided to the business's employees, who are an internal audience.

SOURCE: CO:039 Write informational messages

15. A
Social media posts do not have the same legal protection as private conversations. Conversations that are shared publicly online are not considered private and can be used as evidence of unethical behavior or crime. It is recommended that individuals make an attempt to keep their private and business social media accounts separate, although it is nearly impossible to do so. If employees make negative or inappropriate public comments and people know where they work, their employers may be negatively affected. If companies make employment decisions based on certain personal information shared on social media (e.g., age, race, or religious affiliation), they can be accused of discrimination.

SOURCE: CO:206 Distinguish between using social media for business and personal purposes
16. D
S/He needs a point clarified. When employees do not understand what the speaker has said, it is appropriate to raise their hand to ask for clarification; however, it is rude to interrupt another person while s/he is speaking. In many meetings, the leader will ask the participants if they have questions, and it would be appropriate to ask for clarification at that time. Asking questions due to differing opinions or when the agenda is being distributed may not be appropriate.
SOURCE: CO:063 Participate in a staff meeting
SOURCE: Time Management Ninja. (2018). Did you participate in the meeting or were you just there? Retrieved July 20, 2020, from http://timemanagementninja.com/2013/10/did-you-participate-in-the-meeting-or-were-you-just-there/

17. C
Listen carefully. In order to answer questions adequately, an applicant should listen carefully to the interviewer. The applicant needs to understand exactly what the interviewer is asking. By listening carefully, an applicant will be able to respond with the proper information. Talking rapidly and responding quickly will not help applicants answer questions adequately. Applicants should dress appropriately for job interviews, but that will not help them answer questions unless they listen carefully and understand what is being asked.
SOURCE: PD:028 Interview for a job

18. C
Sales and profits. Business policies are developed not only to meet the wants and needs of customers, but to make a fair profit for the company. Business policies are not directed toward increasing inventory levels, employee morale, or company benefits.
SOURCE: CR:007 Interpret business policies to customers/clients

19. B
Disagreeable. These customers are unpleasant and hard to help because they are argumentative, complaining, irritable, moody, insulting, impatient, and/or have a leave-me-alone attitude. If the domineering/superior customers are properly handled, they will usually convince or sell themselves. Although suspicious customers are hard to help and difficult to change, they can become your most loyal customers. The slow/methodical customer is easy to handle but requires a lot of time before making a buying decision.
SOURCE: CR:009 Handle difficult customers
SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

20. A
Store policy. When a business has policies for its employees to follow in handling complaints, the customers are more likely to receive the same treatment. Procedures are the step-by-step processes that personnel follow in performing specific tasks. Customer service plan and customer complaint plan are not terms that businesses commonly use.
SOURCE: CR:010 Handle customer/client complaints
21. B
Touchpoints. A brand promise is a company's agreement, spoken or unspoken, with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. Touchpoints are all of the opportunities that a company has to connect with its customers and reinforce its brand value. Touchpoints may include the company's employees, product attributes and packaging, and technological systems. A company uses various touchpoints to create these experiences for its customers to fulfill its brand promise. By fulfilling its brand promise, the company is more likely to develop loyal customer relationships and repeat business. Companies cannot always control the publicity that they receive from external sources. A product-line extension occurs when the company adds a new product to the existing product line. Services are intangible touchpoints.

SOURCE: CR:001 Identify company's brand promise

22. C
Who bought the product and for what purpose? An industrial good is one purchased by a business for commercial use. A consumer good is one purchased by an individual for personal use. Price and source do not affect this distinction.

SOURCE: EC:002 Distinguish between economic goods and services
SOURCE: LAP-EC-010—Get the Goods on Goods and Services (Economic Goods and Services)

23. D
Production. The economic goods must be produced before consumers can buy and use them. Scarcity is the gap between unlimited wants for goods and services and the resources available to obtain the goods and services. Capitalism is an economic system that depends on honest, healthy competition between businesses. Payment is a form of exchange, usually money. Some goods and services are provided free of charge, so payment does not always occur before they are consumed.

SOURCE: EC:001 Describe the concepts of economics and economic activities

24. A
Buyer's market. When a buyer's market exists, there is a large supply of a product with a small demand for it. This condition often results in lower prices. The law of supply states that the quantity of goods or services that will be offered for sale varies in direct relation to its selling price. The law of demand states that the quantity of a good or service that consumers will buy varies inversely with the price of the good or service. A seller's market exists when demand is so great that consumers will buy regardless of high prices.

SOURCE: EC:005 Explain the principles of supply and demand
SOURCE: LAP-EC-011—It's the Law (Supply and Demand)

25. D
Users. Businesses should offer the users of their products safe, quality products. The business is the provider of the product, and it is generally not held liable when the user of its product abuses the product in some way. People who endorse a product are recommending it to others.

SOURCE: EC:070 Explain the role of business in society
SOURCE: LAP-EC-070—Business Connections (Business and Society)

26. A
Benefit programs. Socialist countries are often called welfare states because they provide so many programs for the public welfare. However, high taxes are necessary in order to provide funds for social services such as free medical care, education, and other benefits. Competition is limited since government owns or controls part of the means of production and distribution. Prices are high, but that does not mean higher profits for businesses because of the high taxes they must pay.

SOURCE: EC:007 Explain the types of economic systems
SOURCE: LAP-EC-017—Who's the Boss? (Economic Systems)
27. C
Commands attention. Effective communication requires that the receiver be willing to accept the message from the sender. A communicator who commands the receiver's attention is increasing the opportunity for successful reception of the message. Speakers should use variations of voice pitch, rather than speaking in a monotone. They should also try to speak without mannerisms and avoid sounding like a recording.

SOURCE: CO:147 Explain the nature of effective verbal communications

28. C
Traditional. A traditional economy is a system in which people produce only what they must have in order to exist. As a result, there is very little opportunity for businesses to develop and grow because the people do not have additional income to spend on consumer goods. Many undeveloped countries have traditional economies. However, some businesses are attempting to enter this market structure. For example, the tourism industry is expanding into undeveloped countries which may lead to those countries having a different type of market structure in the future. It is not difficult for businesses to develop and grow in capitalist, mixed, or socialist market structures.

SOURCE: EC:012 Explain the concept of competition
SOURCE: LAP-EC-008—Ready, Set, Compete! (Competition)

29. B
Emotional intelligence can be defined in different ways. Although the concept has been defined in different ways, emotional intelligence is usually described as being aware of our own emotions, responding to them appropriately, and then doing the same with the emotions of other people. Emotional intelligence is not the same as being an emotional person. Nor, is it “managing” emotions by ignoring them. Emotional intelligence may be as important as (or more important than) traditional intelligence.

SOURCE: EI:001 Describe the nature of emotional intelligence
SOURCE: LAP-EI-001—EQ and You (Emotional Intelligence)

30. D
Gender. A stereotype is a set image or assumption about a person or thing. When people stereotype others, they tend to classify certain people as part of a group that possesses certain characteristics. These characteristics are often based on distorted beliefs or unproven information. When people stereotype others, they fail to see an individual who possesses unique skills, values, and attitudes. People stereotype others in a variety of ways, one of which is by gender. Camilla's assumption that women are more efficient and more detail-oriented than men is a distorted belief. In fact, many men in the workplace are very efficient and detail-oriented. A stereotype by age might hold the false belief that most senior citizens are set in their ways or that they don't keep up with technological changes. An assumption about a person's customs, habits, or traditions is a stereotype based on culture. An assumption about a person that is based on his/her level of education is also a form of stereotyping. For example, assuming a person is not smart because s/he did not attend college is an educational stereotype and is a belief that simply isn't true.

SOURCE: EI:017 Recognize and overcome personal biases and stereotypes
SOURCE: LAP-EI-139—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

31. A
Interests. Interests are the things that a person is curious about, concerned for, or involved with. When assessing their personal strengths and weaknesses, people often identify their interests because interests are strong points that might lead to appropriate occupations. For example, an individual works on the school newspaper, likes to create posters for upcoming events, and belongs to the English club. These interests are this person's strengths. After assessing personal strengths and weaknesses, individuals might select suitable careers. Assessing personal strengths and weaknesses does not involve identifying benefits or risks.

SOURCE: EI:002 Assess personal strengths and weaknesses
SOURCE: LAP-EI-017—Assess for Success (Assessing Personal Strengths and Weaknesses)
32. B
Be able to set priorities and goals easily. When you know what your values are and align your behavior with them, you will easily be able to set priorities and goals that will make you feel fulfilled, motivated, and happy. You will not necessarily feel conflicted in your decision-making. You will also not necessarily find fulfillment in your career but not your personal life. While knowing what your values are will help you with ethical situations, it will not necessarily help you avoid any struggles with ethical dilemmas.
SOURCE: EI:126 Assess personal behavior and values
SOURCE: LAP-EI-126—Assess Yourself (Assessing Your Personal Behavior and Values)

33. D
Initiative. Initiative is the willingness to act without having to be told to do so, or the willingness to accept/seek additional or unpleasant duties. Assertiveness is the ability to express yourself; communicate your point of view; and stand up for your rights, principles, and beliefs. Innovation is something new, such as a new product, strategy, or process. Interdependence is the state of being mutually dependent on each other to accomplish a task or a goal.
SOURCE: EI:024 Demonstrate initiative
SOURCE: LAP-EI-240—Hustle! (Taking Initiative at Work)

34. A
Does not act in accordance with his values. One of the most important ways to demonstrate integrity and honesty is to “practice what you preach” by acting in accordance with your values at all times. Ross’s words and treatment of his employees demonstrate that he values punctuality, yet he does not follow this value in his own actions. Ross has values, but is not acting upon them. There is no indication that Ross does not respect confidentiality and privacy or that he is not honest with his staff.
SOURCE: EI:022 Demonstrate honesty and integrity
SOURCE: LAP-EI-138—Sincerely Yours (Demonstrating Honesty and Integrity)

35. B
Transparency. Transparency means being truthful when you communicate. This means being honest about the positives and negatives of a product. Vaughn demonstrates transparency by being truthful to the customer, even though that means making a smaller sale. If he exaggerated or hid the truth, the customer would likely not trust him. Dependability, consistency, and loyalty are important qualities that trustworthy people possess, but Vaughn does not demonstrate them in this example.
SOURCE: EI:128 Build trust in relationships
SOURCE: LAP-EI-128—Trust in Me (Building Trust in Relationships)

36. B
Identify the dilemma. It’s important to identify the dilemma first, since you can’t resolve the dilemma if you don’t know what it is. Dilemmas are not always obvious, and you must be aware of them even when they might not be huge or immediately noticeable. Considering all your potential actions, identifying the dilemma, and reflecting on the outcome are steps that come later in the process.
SOURCE: EI:125 Recognize and respond to ethical dilemmas
SOURCE: LAP-EI-125—Make the Right Choice (Recognizing and Responding to Ethical Dilemmas)

37. C
Aria agrees to work late to reach an important deadline. Being committed to something means showing up on time for related activities, doing all the work required of you, and following through on your promises. If Aria agrees to reach a deadline, she can demonstrate her commitment to this deadline by working late to reach it. A manager insisting that everyone arrive at the exact same time doesn’t necessarily demonstrate commitment to his/her job. If Shay only does the bare minimum amount of work to get by, she is not demonstrating commitment to her job. If Rob ignores meeting requests when he does not want to go, he is not necessarily demonstrating commitment to his job.
SOURCE: EI:077 Manage commitments in a timely manner
SOURCE: LAP-EI-077—Commit to It! (Managing Commitments in a Timely Manner)
38. D
Outcomes are often uncertain. Tolerance for ambiguity is the willingness to take action despite having incomplete information or clear direction. Without having all information or a clear direction, the outcome of an action is uncertain. Individuals with a high tolerance for ambiguity understand that they may fail and that the risks they take may result in an undesirable outcome. They also understand that they may need to make changes if it appears that the original plan is not working; therefore, individuals with a high tolerance of ambiguity realize the importance of contingency plans.
SOURCE: EI:092 Develop tolerance for ambiguity

39. A
Think positively. “Thought stopping” is a part of the “think positively” step in the process of maintaining a positive attitude. It is a positive-thinking technique in which you block negative thoughts and replace them with positive ones. Surrounding yourself with positive people, having a sense of humor, and acting positive are all steps in the process of maintaining a positive attitude, but they do not include “thought stopping.”
SOURCE: EI:019 Exhibit a positive attitude
SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)

40. B
Using inappropriate language. Using any type of bad language is not only likely to offend the person to whom you are speaking, it will also damage your professional image. All of the other alternatives are ways in which you can exhibit self-control.
SOURCE: EI:025 Demonstrate self-control
SOURCE: LAP-EI-014—Control Yourself! (Demonstrating Self-Control)

41. D
"You must be stupid if you don't know how to do that by now." Destructive criticism not only points out mistakes but includes a personal attack on the individual. In this case, the supervisor has called the employee stupid, which is insulting. All of the other comments are examples of constructive criticism given to help an employee improve.
SOURCE: EI:003 Explain the use of feedback for personal growth
SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)

42. A
Victoria listens carefully to what others say. Victoria has developed empathy and shows it toward others because she listens carefully to what others say. None of the other individuals is showing empathy. Avoiding contact with others, refusing to share your own experiences, and saying what you think without regard to others' feelings are not ways to show empathy.
SOURCE: EI:030 Show empathy for others
SOURCE: LAP-EI-030—Have a Heart (Showing Empathy for Others)

43. D
Close the email and tell her employer what happened. To maintain confidentiality, it's important to avoid reading information meant for someone else. It's also important for Candace to inform her employer, so her employer can deliver Alyssa's information privately and take any actions needed to maintain confidentiality. Reading, forwarding, or talking to Alyssa about her confidential email is unethical because it invades her right to privacy.
SOURCE: EI:103 Maintain the confidentiality of others
44. B
Establish boundaries. When a group meets to confront a conflict, it is a good idea to establish boundaries (rules). Boundaries are guidelines that provide each person with an opportunity to express his/her feelings, concerns, and ideas about the disagreement in a nonjudgmental way. When people are defining the conflict resolution, they must often compromise. Apologizing is appropriate if people make mean-spirited comments during the conflict resolution process.
SOURCE: EI:015 Use conflict-resolution skills
SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)

45. B
People often imitate the behavior of their leaders. A role model is a person whose behavior is imitated by others. A person often selects a role model to imitate because s/he sees qualities in the role model that s/he would like to develop in him/herself, such as persistence, empathy, reliability, or even athletic skill. People select role models for a variety of reasons, but it cannot be assumed that it's because most people take unnecessary risks, do not want to accept responsibility for their own actions, or do not want to learn from their own mistakes.
SOURCE: EI:009 Explain the concept of leadership
SOURCE: LAP-EI-016—Lead the Way (Concept of Leadership)

46. D
The resources that you will need. Vision is the future you desire to create and involves making positive changes to make it happen, which requires determination and hard work. A vision for the future begins with a general or broad view of a desired outcome, such as helping sick children or ending world hunger. Once you determine your vision, you must figure out what resources you will need to carry out the vision, such as money (financial considerations), training (education and skills), and volunteers (human resources). Personal financial goals may not affect how you carry out your vision. Volunteers give their time freely, so they are not hired (paid) employees. A mission statement is a brief summary of what a business owner wants a business to be doing. Mission statements often change over time, but vision statements remain the same.
SOURCE: EI:063 Determine personal vision
SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)

47. D
Enthusiastic. Being a positive role model and leading by example means living life with enthusiasm—after all, you have to be inspired to inspire! People who lead by example are engaged, enthusiastic, fair, and follow the rules at all times. They are not disinterested or pessimistic, and they treat everyone equally without playing favorites.
SOURCE: EI:133 Inspire others
SOURCE: LAP-EI-133—A Force for Good (Inspiring Others)

48. C
Develop confidence. When a person successfully adapts to a situation, s/he realizes s/he will be able to adapt to other circumstances, which increases his/her confidence. Adapting to a new situation is a good approach that can help a person succeed, but it does not eliminate stress. Adapting to a new situation requires a person to face change, not avoid it. Since new situations require change, they do not help a person stay comfortable.
SOURCE: EI:006 Demonstrate adaptability
SOURCE: LAP-EI-023—Go With the Flow (Demonstrating Adaptability)

49. D
Ethnic heritage. Ethnic heritage is the background people inherit from the ethnic group or culture into which they are born. Each culture has its own customs, habits, and traditions. Brett's ethnic heritage is different from that of Maria and Marcos, but in the workplace Brett needs to treat all people fairly and not make fun of them because of their differences. Mental ability is an individual's learning and thinking ability. Formal education is the amount of learning a person has acquired in the classroom. Lifestyle is the way in which people lead their daily lives.
SOURCE: EI:036 Treat others with dignity and respect
SOURCE: LAP-EI-036—Everyone's Worthy (Treating Others With Dignity and Respect)
50. D
Demonstrating courtesy and respect. Being tactful is an example of demonstrating courtesy and respect toward others on your work team in the process of building positive working relationships. Demonstrating courtesy and respect toward others on your work team includes being humble, tactful, patient, empathetic, tolerant, and having a sense of humor when things don't go as planned. Being tactful is not an example of carrying your own weight, getting to know others on your work team, or being cooperative.
SOURCE: EI:037 Foster positive working relationships
SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)

51. D
When Naomi purchased office supplies, she presented the cashier with a card that automatically withdrew funds from her business's checking account. A debit card is a common method of payment for goods and services. Issued by financial institutions (e.g., banks), a cardholder scans the card into a machine at the point of sale. The information is transmitted to the appropriate location, and the funds are electronically transferred from the cardholder's checking or savings account to the seller's account. Credit is the arrangement in which businesses and individuals can purchase now and pay later. Individuals and businesses can obtain the goods and services that they need right away, such as airline tickets, and then pay for the tickets when they receive their statements from their lending institutions. Some businesses offer membership or customer-loyalty cards, which provide their members or customers with product discounts. Gift cards are store-issued vouchers that a gift giver can purchase for another person to use to buy the store's products.
SOURCE: FI:058 Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.)

52. A
A $20 bill. Fiat money is money that has no intrinsic value. Instead, its value comes from government backing. Paper currency such as a $20 bill is an example of fiat money. A check is not fiat money because its value is not backed by the government. Gold has intrinsic value and is a commodity rather than fiat money. A credit card's value is also not backed by the government.
SOURCE: FI:059 Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.)

53. C
Wages. A common source of income is the money a person earns for work that s/he performs. This source of income is a worker's wages. Businesses usually pay their employees at regular intervals, such as every week or every other week. In many situations, the businesses will deposit the employee's wages in their savings or checking accounts rather than pay them by check. Rent, interest, and dividends are other sources of income that are not associated with the work that an employee performs.
SOURCE: FI:061 Describe sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.)

54. A
Installment credit. Installment credit is frequently used in the purchase of big-ticket items such as furniture. An open, or regular, credit account allows credit users to buy at any time during a set period, usually 30 days. A revolving credit account limits the total amount of money that may be owed and charges interest on outstanding balances. Layaway is paying over a period of time for merchandise held by the store until the customer pays in full.
SOURCE: FI:002 Explain the purposes and importance of credit
SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)
55. A
Impulsive spending. Many situations can prevent individuals from reaching their financial goals. When people lose their jobs or need to get their cars fixed, their financial goals may be temporarily sidetracked. Overusing and repaying credit cards can also affect an individual's ability to achieve his/her financial goals. An individual who must pay off credit card debt has less money available to save and invest. In Max's situation, impulsive spending derailed his financial goals. He saw something that he wanted right away, so he bought it without thinking about the consequences. It will likely take Max longer to reach his savings goal.

SOURCE: FI:065 Set financial goals

56. B
Manage money. A budget is an estimate of what income and expenses will be for a specific time period. By developing a budget, individuals can manage their money. The budget will enable them to estimate income, perhaps for the next month, and also estimate the various expenses such as car payment, clothing, entertainment, etc. Then, they will be able to compare income with expenses and plan how to spend their money. Preparing a budget will make it possible to determine if they are barely able to pay bills each month or if there are funds remaining to put in a savings account. If funds are tight, they can analyze the various expenses and find ways to cut back in order to more effectively manage their money. Developing a budget allows individuals to identify the bills that must be paid; however, a budget does not pay bills. A budget does not include a list of assets. Budgeting often helps individuals decrease debt by managing money more effectively.

SOURCE: FI:066 Develop personal budget

57. A
$5,850. Subtract liabilities (credit card debt) from assets (car value, savings account, and computer value) to calculate net worth. ($6,000 + $250 + $100) - $500 = $5,850.

SOURCE: FI:562 Determine personal net worth

58. D
Health insurance. Payroll deductions are monies that an employer withholds from an employee's gross earnings. A large portion of the deductions is the various income taxes, which the employer pays to the government on behalf of the employee. Other deductions might include health insurance premiums, voluntary savings, and child-support payments. Net pay is the amount the employee receives in his/her paycheck after the deductions have been subtracted from the gross earnings. Gross earnings are income before deductions. Overtime hours are the number of hours an employee works over his/her regular schedule. Pay rate is the amount of pay a worker earns at a set interval (e.g., an hour).

SOURCE: FI:068 Interpret a pay stub
59. D
Verify that the credit agencies have correct information. Credit is the arrangement by which individuals or businesses can purchase now and pay later. A credit agency is a business that maintains files of credit information on individuals and businesses. It is important to make sure that credit agencies have accurate information about your credit history because other businesses purchase the reports to make decisions about extending credit to you or providing a loan to you. Although people can provide information to improve their credit ratings, it is the credit agencies that change or update the information. Good credit reports can increase the chances of obtaining a bank loan, but reviewing the reports cannot ensure that people obtain bank loans. People who monitor their credit reports can reduce the risk of identity theft, but cannot eliminate the risk.

SOURCE: FI:072 Validate credit history

60. C
Review credit reports for the creation of unauthorized credit accounts. Since credit reports contain all of a consumer’s credit activity, they can reveal any unauthorized use of credit. Credit scores are not immediately impacted by fraudulent activity since they are only updated once every 30 days. Credit card statements and credit card companies can only provide information about transactions made with them.

SOURCE: FI:073 Protect against identity theft

61. B
Reading verified customer reviews. Customer reviews can be an excellent tool for determining whether to purchase a product or not. Reviews are often much more realistic and honest than product advertisements, since they are from unbiased sources. It would be unwise to purchase a product without reading customer reviews. Reading reviews can save you from being dissatisfied with your purchase, and can help you understand what to expect from a certain product or service. Contacting the company or viewing other ads will not necessarily help you determine whether information is reliable, since all information from a company is inherently biased.

SOURCE: FI:783 Make responsible financial decisions

62. C
Government bonds. These bonds are issued by various levels of government, from the local to the national level. Government bonds are considered one of the safest types of investments because they are backed by the government. Although government bonds do not pay high interest rates, they are safe and a good investment for individuals who cannot afford to risk losing their investment. Penny stocks are very inexpensive, but their value can go up or down quickly. Commodities and precious metals are considered high-risk investments because of the fluctuations in price and value.

SOURCE: FI:077 Explain types of investments
63. A
To take advantage of compounded interest. By starting early, you give your money time to grow by earning interest on interest that is added to the principal. Starting early does not help a person beat inflation rates if the investments chosen accrue less interest than the rate of inflation. The time value of money indicates that today's dollar is worth more than that same dollar a year from now due to inflation rates. Therefore, the time value of money is not a benefit for retirement planning. Starting early will not ensure that protections are in place for retirement plans. One such protection is diversification of investments.
SOURCE: FI:569 Discuss the nature of retirement planning

64. B
Increase the amount of their deductible. By increasing the amount of their deductible, people accept more risk, thereby reducing the carrier's risk. This results in reduced monthly premiums for individuals. However, if the person uses health care services, s/he would have more out-of-pocket expenses than with a lower deductible. Making quarterly payments will not impact the cost of insurance coverage. Increasing the amount of liability coverage would increase a person's insurance costs; however, liability coverage is not an aspect of health insurance coverage. Enrolling in the carrier's disability coverage would increase a person's monthly costs.
SOURCE: FI:081 Describe the concept of insurance

65. C
Acknowledge directions verbally or nonverbally. When Justin gives his sister a puzzled look so she knows he didn't understand her directions clearly, he is acknowledging her nonverbally. It's important to let the speaker know you hear and understand what s/he is saying by nodding your head or saying you understand. If you don't understand the directions, use your nonverbal signals to alert the person so s/he can clarify things for you. These signals include raising your hand, shaking your head, or even looking at the speaker with a puzzled look. In this situation, Justin is not taking notes, accepting responsibility, or eliminating distractions.
SOURCE: CO:119 Follow oral directions

66. D
Finance. When a business needs outside funding, it typically relies on its finance department to obtain the monies. A company's finance department is responsible for money management decisions, including obtaining the financing and capital needed to run a business. Accounting ensures that a company has accurate information about its current financial situation. A sales department is responsible for meeting company sales' goals. Operations is responsible for the effective use of a company's available resources to conduct business activities.
SOURCE: FI:354 Explain the role of finance in business
SOURCE: LAP-FI-354—Money Matters (Role of Finance)

67. D
Minimum wage. Minimum wage is controlled by law; therefore, it is a compliance issue for companies. Conflict mediation and car-pool organization are tasks that fall under the HR management activity of employee relations. Performance management is a task that falls under the HR management activity of training and development.
SOURCE: HR:410 Discuss the nature of human resources management
SOURCE: LAP-HR-035—People Pusher (Nature of Human Resources Management)
68. B
Deciding on the products that a business will produce or order. The product/service management function involves deciding on the products that a business will produce or order. It is important because a business must offer the products that customers want and need to be successful. Getting products from producers to customers is part of the channel management function. Informing customers about new and improved products is part of the promotion function. Conducting research to find out as much as possible about customers is part of the marketing-information management function.
SOURCE: MK:002 Describe marketing functions and related activities
SOURCE: LAP-MK-001—Work the Big Seven (Marketing Functions)

69. D
An article from the current issue of Time magazine. When Heather chooses resources, she needs to pick articles from reputable sources. Time magazine is a respected publication that has many editors and fact checkers, so Heather can be reasonably sure that the information contained in the magazine will be accurate. The article has also been published recently, so it likely won't contain any out-of-date information. Heather should avoid using press releases. Press releases usually have an agenda to promote, so they are biased. To write a well-rounded paper, Heather should stick to articles that are free of bias or agenda. While the New York Times is a well-respected newspaper, Heather should avoid reading an article from 1995. An article that old may present outdated figures and facts about the death penalty. Although a professor from Harvard would generally be a good source, a professor of economics isn't necessarily an expert on the death penalty. Also, Heather should be wary of using blogs—this blog may belong to the university, but it may just be the professor's personal opinions.
SOURCE: NF:079 Evaluate quality and source of information

70. A
Create a system and keep only what she needs. Irene may think she's playing it safe by keeping every single piece of paperwork, but she's actually making her job much harder. When she keeps everything, it's more difficult to find the things she actually needs. This leads to frustration and wasted time. Irene should create a system to decide what she actually needs to keep and then toss all other documents. Although Irene may want to consider storing her documents virtually instead of physically, this wouldn't necessarily help her become more organized. While virtual storage wouldn't take up physical space, Irene could still waste just as much time searching through a mess of documents if she insists on saving everything. Irene doesn't need to hire a new employee to handle the filing; instead, creating a system will make Irene's files easier to use. Irene should resist purging all of her old documents—there are many things she'll need to keep, both for practical and legal reasons.
SOURCE: NF:081 Store information for future use

71. D
Retrievable. Information management should ensure that information is retrievable. This means that people who need it can access it when necessary. Information management does not and cannot ensure that information is abundant or pleasant. Information should be inaccessible only to those who shouldn't be able to see it.
SOURCE: NF:110 Discuss the nature of information management
SOURCE: LAP-NF-110—In the Know (Nature of Information Management)
72. D
Transaction processing system. This is a computerized information system that processes daily, routine business transactions at the operational level of companies. Knowledge work systems aid knowledge workers in the creation and integration of new knowledge into companies. Their purpose is to improve worker productivity. Decision support systems aid managers in making decisions that are unique and rapidly changing. Executive support systems are reporting tools that enable managers to turn a company’s data into useful reports.
SOURCE: NF:083 Explain the role of information system

73. D
Time-management tool. Many employees keep track of their activities and organize their daily schedules by using an electronic planning device. This device is a time-management tool because it allows employees to plan their activities to be the most productive. Employees can enter information about future projects, deadlines, meetings, etc., and plan the best use of remaining time. An electronic planning device is not an example of a communication system, a web-based program, or a presentation application.
SOURCE: NF:005 Demonstrate personal information management/productivity applications

74. D
The. Words such as ”a,” ”for,” and ”the” are stop words, which are commonly used words that do not always add meaning to the primary search terms. For example, if the words ”the Pittsburgh Steelers” were entered in the query field, the word ”the” would most likely be ignored by the search engine, which would focus on the words, ”Pittsburgh Steelers.” However, there are exceptions to every rule. For example, the query ”WHO” is likely to bring up results that contain information about the World Health Organization. If ”the” is placed before ”WHO” in the query, results are most likely to bring up information about the musical group, The Who. ”Cop,” ”sew,” and ”hat” are less likely to be ignored when entered into a search engine query.
SOURCE: NF:006 Demonstrate basic web-search skills

75. C
Database. Database software allows companies to collect, store, and organize customer information. This information can be used to maintain, analyze, and combine customer information in order to send certain messages to specific customers. Spreadsheet and word-processing software do not perform the functions required by the retailer. Systems tools are used to maintain the computer.
SOURCE: NF:009 Demonstrate basic database applications

76. C
Point-of-sale. There are many point-of-sale software applications that enable businesses to perform a variety of functions beyond the point of sale. Some of these functions include placing orders, controlling inventory, placing special orders, etc. SMS is an abbreviation for short messaging service and is used to send text messages on a variety of cell phones. Java is a computer-programming language. URL or uniform resource locator is the website’s web address.
SOURCE: NF:088 Use an integrated business software application package
77. C
Meta tags. Meta tags are HTML codes that display information about web pages. HTML, or Hypertext Markup Language, is the program used for creating pages on the World Wide Web. It uses tags placed in strategic places to help the browser identify and locate various elements of the web page. ASCII, or American Standard Code for Information Interchange, is plain text from which the HTML document is usually created. The browser moves from one place to another within the page or to another site by means of a hyperlink.
SOURCE: NF:042 Create and post basic web page

78. C
Discover relationships. Data mining is the process of searching computer databases for patterns of information and correlations or relationships among information. Businesses use the information they obtain from data mining to make different types of business decisions. For example, a business might want to increase its sales. The business might use data-mining techniques to determine and analyze which customers possess the highest buying potential. The primary purpose of data mining is not to stabilize sales, develop services, or summarize ideas.
SOURCE: NF:148 Discuss the nature of data mining

79. B
Following the manufacturer's operating instructions. Machinery can be dangerous to operate, so businesses should make sure that the employees who operate the machinery receive training according to the manufacturer's instructions. In some situations, the manufacturer will provide the training. Reading promotional materials will not provide employees with adequate training to operate complex machinery. Unless they are properly trained, employees should not perform maintenance activities on machinery. If the machinery is not handled appropriately, employees could be seriously injured and the machinery could be damaged. If some of the employees' responsibilities are to operate the machinery, then the supervisors' jobs should ensure that employees operate the machinery properly, rather than operate it themselves.
SOURCE: OP:006 Follow instructions for use of equipment, tools, and machinery

80. C
True; the business is responsible for creating a safe work environment. When there is potentially dangerous equipment in the workplace, employees should be instructed in the safe use of the equipment and the potential danger to themselves and others of not doing so. Even when such training is given, employees may become careless or forget to use safety precautions. It is not always obvious that equipment can be hazardous.
SOURCE: OP:007 Follow safety precautions

81. C
Divide cash-related responsibilities among different employees. Employers generally divide up cash-related responsibilities among employees so that one employee checks the records of another. This reduces the possibility that a dishonest employee can steal by changing the cash records. Training salespeople to be familiar with prices is a technique that helps reduce price-ticket switching. Providing procedures for the personal use of office supplies will help reduce pilferage. Requiring sales staff to observe customers on the selling floor will help prevent shoplifting.
SOURCE: OP:013 Explain routine security precaution
82. D
A secret recipe. An intangible asset is one that's not physical. For example, intellectual property, trade secrets, customer lists, and business plans are all intangible assets. Even though intangible assets aren't physical, they're sometimes the most valuable thing a company owns. A secret recipe may be what differentiates one restaurant from another. Ovens, buildings, and waiter's uniforms are all tangible, physical business property.
SOURCE: OP:153 Protect company information and intangibles

83. B
Critical activities. Critical activities are the most important tasks to do and often need immediate attention. These tasks might involve solving a customer's problem or preparing a report for a spur-of-the-moment meeting. Listing critical activities often helps employees prioritize and plan their work, which can help them achieve their deadlines. Routine tasks, such as checking email, are performed on a regular basis and often do not require a lot of time or thought. Accomplishments are things that have been achieved. Long-term goals are objectives that will take a year or more to reach.
SOURCE: OP:228 Organize and prioritize work

84. D
Budget. The amount of money you have available determines what you can and cannot do. If you plan to do more than you can afford, your project likely won't succeed. You might run out of funds before the project is complete. Employee benefits, hiring procedures, and advertising are not as likely to affect a project in the planning stages.
SOURCE: OP:519 Plan project
SOURCE: LAP-OP-519—Plan On It! (Planning Projects)

85. A
Refocusing scope. Once you've identified areas where you need improvement, you will have to take corrective actions to get your project back on track. An example is refocusing the scope of your project. Project failure, risk tracking, and stakeholder management are not types of corrective actions to take if your project has derailed.
SOURCE: OP:520 Monitor projects and take corrective actions
SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

86. C
Prepare a purchase order. Arnie needs to prepare a purchase order, which is the form that a business (buyer) fills out to order goods from a vendor (seller). The purchase order typically contains information such as the item's description, part number, quantity, price, and the company's shipping and billing addresses. An invoice is an itemized statement of money owed for a good or service and is generated by the vendor (seller). A receipt is an acknowledgement of the sale and transfer of goods and services, and is typically provided by the seller to the buyer in consumer retail transactions. Employees complete expense forms so their employers can reimburse them for business-related out-of-pocket expenses.
SOURCE: OP:016 Place orders/reorders

87. C
To prevent stockouts. Safety stock or buffer stock are extra items ordered to prevent stockouts. When supplies are out of stock, the employees do not have the tools to perform their jobs. Many businesses have policies to order a certain level of extra items to avoid stockouts. Ordering extra supplies will not ensure product quality or reduce the need to forecast usage. Dan would only order exactly what is needed if he were ordering to meet minimal expectations.
SOURCE: OP:031 Maintain inventory of supplies
88. A
Continuous. A continuous production process is one that turns out products without stopping. The process is used by businesses that make such products as soft drinks that are in steady demand by consumers and can be held in stock as necessary. An intermittent production system is shut down from time to time for various reasons, such as a decline in demand or an oversupply of stock. A batch production process produces specific quantities of a product as needed (e.g., restaurant entrees). A unit production process focuses on producing one or a few products at a time.
SOURCE: OP:017 Explain the concept of production
SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

89. A
Confidentiality. Confidentiality refers to the agreement of an individual or party not to share the sensitive information of another individual or party. Most lawyers have confidentiality agreements with their clients that protect the sensitive details of the clients' cases from being shared with others. While similar to confidentiality, privacy and security differ in important ways. Privacy is the right of an individual to keep his/her information to him/herself, while security is the protection of sensitive data or items that are housed in a database or other storage facility. Transparency refers to openness or honesty. This example best describes a confidentiality agreement.
SOURCE: OP:441 Explain information privacy, security, and confidentiality considerations in business

90. C
Personal appearance. Employers are interested in workers who can display a positive impression of their company to others. This is reflected in appropriate grooming, health, and dress. Betty's poorly maintained clothing shows her lack of pride in herself and the company. Promotions go to people who not only consistently do the job but look the part. Betty's job attitude and skills are acceptable since she is described as hard working. Her ability to get along with others was not discussed.
SOURCE: PD:002 Maintain appropriate personal appearance
SOURCE: LAP-PD-002—Brand Me (Personal Appearance)

91. A
A salesperson wants to get five new clients this week. Short-term goals are objectives that take less than a year to achieve. The salesperson plans to get five new clients this week, so this goal is short term. Long-term goals are objectives that take a year or more to reach. It would take a year or more to earn a bachelor's degree, become president of a company, or open a restaurant.
SOURCE: PD:018 Set personal goals
SOURCE: LAP-PD-016—Go for the Goal (Goal Setting)

92. B
Product. Product innovation occurs when a business either creates or improves a product. Other types of innovation include process, positioning, and paradigm. Psychological, piloting, and physical are not types of innovation.
SOURCE: PD:126 Explain the need for innovation skills
SOURCE: LAP-PD-126—Ideas in Action (Innovation Skills)

93. A
Moderate input. When the decision maker asks for some help during the decision-making process, s/he is obtaining moderate input. When the decision maker makes a decision without any help, s/he is using the minimum-input decision-making style. Autocratic and laissez faire are leadership styles. The autocratic leadership style is a dictatorial leadership style in which the leader relies on her/his positional authority within the organization to ensure that closely supervised employees do exactly as they are told to achieve required results. Laissez faire is a hands-off leadership style in which the leader assumes little or no responsibility and allows employees to determine their own work behavior and productivity level.
SOURCE: PD:017 Make decisions
SOURCE: LAP-PD-017—Weigh Your Options (Decision-Making)
94. **D**
Considering your aptitudes will make achieving your career goals realistic. An aptitude is your potential for learning a skill. It is similar to having a knack for something. Pursuing a career in an area that comes naturally to you will make it more realistic to achieve your career goals. Though matching aptitudes to a career is likely to lead to career success and satisfaction, it does not consider income. Aptitudes are neither positive nor negative. Each person has a different set of aptitudes. Time spent in college is not necessarily affected by aptitude. As an example, although a person has an aptitude for medicine, s/he must still complete college and medical school.

**SOURCE:** PD:023 Identify tentative occupational interest


95. **D**
Business management and administration. The business management and administration career cluster includes careers in administrative support, business information management, general management, human resources management, and operations management. The government and public administration career cluster includes careers such as foreign service, national security, and governance. The science, technology, engineering, and mathematics career cluster includes careers in science, technology, engineering, and mathematics. The agriculture, food, and natural resources cluster includes careers in areas such as animal systems, natural resources systems, and agribusiness.

**SOURCE:** PD:025 Explain employment opportunities in business


96. **A**
You should never include personal information that is inaccurate. It is important to be completely honest and transparent when filling out job applications. Besides being unethical, lying on a job application can lead to serious consequences. If your employer finds out that you included false information on its job application, you will likely be fired—and have trouble finding jobs in the future. Most employers ask applicants to disclose whether they have been convicted of any felonies in the previous five years. It is not okay to omit any previous felony convictions, nor is it okay to omit a previous job if you left on bad terms. Job applicants that are under 18 usually need to obtain a work permit to apply for jobs. They do not typically need a cosigner on applications.

**SOURCE:** PD:027 Complete a job application


97. **A**
Businesses. Reduced complaints, repeat business, and greater profits are normally the results of having a customer service mindset. Benefits to the employees may include promotions or raises. Benefits to the customers would include having a more satisfactory experience with the business. Competitors would not benefit from another business practicing a customer service mindset.

**SOURCE:** CR:004 Demonstrate a customer service mindset

**SOURCE:** LAP-CR-004—Set Your Mind to It (Customer Service Mindset)
98. C
Former employers. The reference section of a résumé should list two or three people who can provide information about you. The best references are former employers, because they can accurately describe your work habits, abilities, and attitudes toward the job. Prospective employers will want to contact these references to find out if you performed satisfactorily in former positions. Potential employers usually do not want to contact your classmates, family members, and coworkers because they are personal references who may be unable to provide unbiased information about you.

SOURCE: PD:031 Prepare a résumé

99. D
Tuition reimbursement. Most businesses encourage their employees to continue their education in order to keep up with new technology and procedures. The businesses realize the value of having employees who are well trained and up to date. One way that businesses promote continuing education is by offering tuition reimbursement programs that pay the cost of the courses that employees take. Usually, employees who take and pass courses that are related to their jobs are reimbursed for the amount of tuition. Workers' compensation is insurance purchased by employers to provide benefits to workers who are injured on the job. Discretionary income is the amount of income people have left to spend or dispose of after they have paid their taxes. An expense account is an arrangement between an employee and the employer in which the employee keeps track of business-related expenses and reports them to the employer for reimbursement.

SOURCE: PD:033 Explain the need for ongoing education as a worker

100. C
Mark Peterson, sales manager. The chain of command defines the level of authority and the specific individual who supervises particular employees. Businesses often define their levels of authority by business function such as finance, operations, marketing, etc. In the question stem, Jayne Jacobs is an assistant sales manager; therefore, she most likely reports to the sales manager. The sales manager most likely reports to the vice president of sales. An assistant sales manager is unlikely to report to the customer service supervisor or the vice president of operations.

SOURCE: PD:252 Follow chain of command