



Competency-Based
Competitive Events
Written Exam
for State/Province Use

Test Number 1241
Booklet Number _____

Hospitality and Tourism Exam

Hotel and Lodging Event

Restaurant and Food Service Management Event

Travel and Tourism Event

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have _____ minutes to complete all questions.

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This comprehensive exam was developed by the MBA Research Center exclusively for DECA's 2020-2021 Competitive Events Program. Items have been randomly selected from the MBA Research Test-Item Bank and represent a variety of instructional areas. Performance indicators for this exam are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided to the DECA chartered association advisor.



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1. Which of the following is an example of how laws enact social change:
 - A. If someone vandalizes a park, s/he will be punished with fines or jail time.
 - B. If you invent something, you can keep others from stealing your idea by filing a patent.
 - C. Strict laws fell upon the tobacco industry when people became angry about its harmful effects.
 - D. You cannot use illegal substances without facing serious consequences.

2. Most nations' federal agencies must function within certain limits identified in the specific enabling legislation that gave the agencies their powers. These limits on the federal agencies' activities are an example of
 - A. statutory control.
 - B. political control.
 - C. judicial review.
 - D. informational control.

3. Consumers of hospitality products have the right to expect businesses to provide goods and services that
 - A. maintain international requirements.
 - B. meet each individual's standards.
 - C. furnish several amenities.
 - D. are safe and clean.

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

5. Which of the following is an example of a company procedure:
 - A. To order supplies, employees must complete the R-3 form and then give it to their immediate supervisor.
 - B. Employees are permitted to wear open-toed shoes to work, but they may not wear flip-flops.
 - C. After five years of service, staff members receive four weeks of paid vacation.
 - D. Triton Manufacturing pays employees the standard gas mileage reimbursement rate of \$.55 per mile.

6. Which of the following techniques would be most useful to a company looking to capture knowledge about employee satisfaction:
 - A. Job shadowing
 - B. Exit interviews
 - C. Communities of practice
 - D. Job rotation

7. What should the first section of an executive summary contain?
 - A. A statement of the report's purpose
 - B. A recommended course of action
 - C. A letter of authorization
 - D. An acknowledgement of the report's sponsors

8. Which of the following best describes the relationship between buyers and sellers when it comes to product pricing:
 - A. How bees are to honey
 - B. A game of tug-of-war
 - C. Like night and day
 - D. A one-sided relationship

9. The hostess received Mrs. Jones's reservation request for eight people very pleasantly, but she also stated, "The restaurant will only provide one check for parties of eight or more." Mrs. Jones was dissatisfied with this statement. The major area of this customer's complaint concerns the restaurant's
 - A. personnel.
 - B. prices.
 - C. product.
 - D. policy.

10. When the Tratiana Resort received a negative review online, the manager was quick to respond in an apologetic manner, offering the customer an upgraded room should s/he choose to visit again. This is an example of
 - A. brand evangelism.
 - B. poor customer service.
 - C. guest recovery.
 - D. product adaptation.

11. A diner is dissatisfied with the way his/her medium-well steak was prepared. What is the first step the waiter should take to resolve the situation?
- A. Tell the customer that the steak was properly prepared
 - B. Offer to remove the charge for the meal from the check
 - C. Ask the kitchen to prepare a steak that is well done
 - D. Listen to the diner's concerns to determine a resolution
12. You can recognize a true brand promise if it
- A. relates to just the business's marketing activities.
 - B. is tied to features and product specifications.
 - C. is authentic and credible.
 - D. demonstrates the similarities between the brand and its competitors.
13. Vinny was pleased with his hotel room because it looked exactly like the pictures he saw online. This example best represents which factor that leads to positive customer experiences?
- A. Honesty
 - B. Respect
 - C. Efficiency
 - D. Empathy
14. An expensive jewelry store provides computer tablets with a fun jewelry design game to entertain customers' children. The store is
- A. accommodating the needs of parents.
 - B. encouraging children to visit the store.
 - C. preventing children from touching displays.
 - D. developing a new jewelry line for kids.
15. The North Ridge Diner is always swamped during the weekends. What could the restaurant do to keep customers from becoming impatient while they wait?
- A. Determine which aspect of restaurant operations is slow.
 - B. Give a discount to guests who wait over 30 minutes.
 - C. Alert guests that their tables are ready via text message.
 - D. Check reviews to see how customers feel about the wait time.
16. The Loft Villa resort received a positive review on social media from a customer. What should the resort do to enhance the customer's experience further?
- A. Search for customer trends
 - B. Respond quickly and apologetically
 - C. Offer a discount on the customer's next stay
 - D. Post frequently to capitalize on the opportunity
17. Which of the following situations involves finding an alternative resource to use in place of a nonrenewable natural resource:
- A. Passing legislation to prevent the killing of endangered animals
 - B. Powering a motor vehicle with biodiesel instead of gasoline
 - C. Generating energy from wind turbines instead of solar panels
 - D. Searching for oil in new locations such as the ocean floor
18. When the demand for a product increases, a producer will normally increase the quantity of product supplied. In this situation, what will usually happen to the product's price?
- A. The price will increase.
 - B. The price is not affected.
 - C. The price will decrease.
 - D. The price will remain constant.
19. Which of the following is a benefit of opening a franchise:
- A. Reliance on raw materials
 - B. Paying royalties
 - C. Restrictions on products, prices, and location
 - D. A well-known brand name

20. How has the ability to travel more freely contributed to globalization?
- A. It breaks down political barriers between countries.
 - B. It escalates competition between businesses.
 - C. It helps enable the spread of culture and ideas.
 - D. It promotes a sense of nationalism.
21. When Charlyne buys gasoline for her car, she doesn't have to pay any tax in addition to the price of the gasoline. Why is this?
- A. The flat tax means that Charlyne doesn't have to pay taxes on gasoline.
 - B. Charlyne must pay the tax later on her own.
 - C. Charlyne is paying a property tax that is already included in the purchase price.
 - D. Charlyne is paying an excise tax that is already included in the purchase price.
22. Which problem with measuring GDP occurs when restaurant employees fail to report the tips they earn as part of their income?
- A. Uncounted production
 - B. Inflation
 - C. Double counting
 - D. Underground economy
23. Quality management at the process level usually involves
- A. inventing new products.
 - B. determining raises and bonuses.
 - C. serving internal customers.
 - D. creating organizational goals.
24. DeMarcus behaves ethically at his job even when no coworkers or supervisors are watching. DeMarcus is displaying
- A. greed.
 - B. transparency.
 - C. viability.
 - D. integrity.
25. Which of the following is not a reason to use contraction as a product mix strategy:
- A. To attract a new target market
 - B. To make room for other products
 - C. To protect the company from a legal liability
 - D. To avoid conflict with another product in the product mix
26. What kind of attitude is being shown by a job applicant who says that s/he looks forward to working for the company?
- A. Indifferent
 - B. Negative
 - C. Positive
 - D. Pessimistic
27. The Lyle Group is incorporating an enterprise risk management (ERM) plan to better manage its risk this year. The Lyle Group should include its finalized ERM plan in its _____ to make the information available to all stakeholders.
- A. quarterly projections
 - B. annual budget
 - C. balance sheet
 - D. annual report
28. What leadership quality involves demonstrating competence and reliability?
- A. Credibility
 - B. Creativity
 - C. Integrity
 - D. Adaptability
29. Thomas is reviewing job applications to determine the five most qualified candidates to interview for a sales position. What management activity is Thomas performing?
- A. Orienting
 - B. Screening
 - C. Training
 - D. Innovating
30. It's difficult to share a vision with strangers, so you should
- A. only work with your friends.
 - B. get to know your team members.
 - C. listen to your team members.
 - D. be a role model to your team.

31. Which of the following is a characteristic of the directing management function:
- A. Passive
 - B. Continuous
 - C. Rigid
 - D. Inefficient
32. Maximizing long-term profitability, promoting the health and well-being of the community, and preserving the environment are all goals of
- A. business actualization.
 - B. corporate sponsorship.
 - C. corporate social responsibility.
 - D. business sustainability.
33. Your annual income, inheritance, and money from the sale of an asset are all considered events that contribute toward
- A. untaxable income.
 - B. tax liability.
 - C. tax loophole.
 - D. sales tax.
34. A business looks at financial information and learns that the company could save money by switching to a different internet provider. This is an example of using financial information to
- A. plan business expansion.
 - B. increase sales.
 - C. create a budget.
 - D. reduce expenses.
35. If a hotel is trying to predict future revenue generated for hotel bookings, which of the following sources of secondary data would be most useful:
- A. Guest surveys on service quality
 - B. Frequent guests' personal income data
 - C. Guest surveys about future travel plans
 - D. Previous fulfilled hotel reservations
36. Why are ethics especially important to those who work in finance?
- A. People who work in finance are naturally unethical.
 - B. Unethical behavior in finance leads to catastrophic results.
 - C. Ethics challenge companies to reduce operating expenses.
 - D. Ethics prevent companies from ever losing money.
37. A company that sells securities to the public must
- A. avoid selling risky securities.
 - B. guarantee that securities will always be valuable.
 - C. tell investors about the risks of these securities.
 - D. discourage investors from asking questions.
38. The money that a company has left over after paying its operating expenses and capital expenditures is classified as
- A. free cash flow.
 - B. dividends.
 - C. stock value.
 - D. limited cash flow.
39. A credit card company charges a business an interchange rate of 2% of each transaction amount, a merchant account provider fee of \$.05 per transaction, as well as a monthly fee of \$10. If that business had 40 transactions totaling \$100,000 last month, how much did that business pay in credit card processing fees for that time period?
- A. \$12.80
 - B. \$2,012
 - C. \$7,012
 - D. \$202
40. Jamil wants to transfer his financial wealth to his children upon his death. He also wants to ensure they won't be charged estate taxes. Jamil should
- A. pay the estate taxes.
 - B. develop a will.
 - C. have liquid assets.
 - D. create a trust.

41. How are human resources managers like moral "compasses"?
- A. They direct people toward the path of least resistance.
 - B. They are often inaccurate when providing directions.
 - C. They lead employees toward harmful situations.
 - D. They guide employees toward ethical behavior.
42. Employees at Winding Brook Resorts have not received raises in three years, but the CEO has received a large bonus each of those years. What can these employees do to advocate for raises?
- A. Go on strike
 - B. File a lawsuit
 - C. Quit their jobs
 - D. Obtain workers' compensation
43. Pricing impacts the success of a product by
- A. ensuring that products are in line with marketing objectives.
 - B. deciding what its packaging will look like.
 - C. determining whether or not people will purchase it.
 - D. obtaining information needed to develop new products.
44. A tour operator puts together a travel package that includes snowboarding at different ski resorts in the northwest area of the country. The tour operator has segmented a market based on
- A. life cycle and geography.
 - B. life cycle and lifestyle.
 - C. geography and gender.
 - D. geography and lifestyle.
45. While researching information for a business report, Tara reads the following statement in an online newspaper article: "Although unemployment has dropped slightly over the past few months, many politicians have indicated that they believe the government has not done enough to get our country out of this recession." This is an example of information that contains
- A. statistics.
 - B. historical facts.
 - C. criticism.
 - D. poll data.
46. Information management can keep employees from becoming overwhelmed with too much information, a condition known as information
- A. drain.
 - B. overload.
 - C. overkill.
 - D. burden.
47. The first step in creating a basic web page is
- A. finalizing your website content.
 - B. registering your website's domain name.
 - C. creating an eye-catching homepage.
 - D. designing the content pages of the website.
48. The Links Golf Resort uses computer software that charges its guests' food, golf, retail, and other resort-related expenses to their accounts through their room key cards. The software increases the resort's efficiency because it is
- A. retractable.
 - B. independent.
 - C. remote.
 - D. automated.
49. One of the reasons why a chain of hotels might analyze and interpret the marketing information contained in databases is to
- A. survey guests.
 - B. compare variables.
 - C. tabulate findings.
 - D. organize products.
50. What is a primary factor that affects the types of business records that a firm keeps?
- A. Government regulations
 - B. Privacy issues
 - C. Technological needs
 - D. Record format

51. Which of the following is a true statement about a business's environment:
- A. It is always changing.
 - B. It can be avoided.
 - C. It consists of the economy and technology.
 - D. It may not affect the business, depending on the industry.
52. A restaurant chain wants to expand into a new city. Which of the following is an example of secondary research that the owner might seek:
- A. Interviews with current employees
 - B. A survey about the eating habits of people in the city
 - C. A focus group with other restaurant owners in the city
 - D. Demographics from a census report
53. Which of the following research activities would provide qualitative data about customers' hotel amenity preferences:
- A. Interviewing hotel guests
 - B. Analyzing which web pages guests visit
 - C. Counting how many guests use each amenity daily
 - D. Identifying which spa services are used most
54. Which of the following trends resulting from the use of mobile technology is most likely to impact how hotels conduct business:
- A. Guests watch less television.
 - B. More room reservations are booked online.
 - C. More energy is used to charge mobile devices.
 - D. Guests expect Wi-Fi service.
55. What is the primary purpose of the accounting process in business?
- A. Buying production equipment
 - B. Evaluating advertising activities
 - C. Determining warehousing needs
 - D. Tracking financial transactions
56. Tia is the front office manager at the Grand Hotel. She is preparing a short report for the general manager regarding budgetary issues that are negatively impacting the hotel. How should she begin the report?
- A. Provide a formal plan to adjust the budget
 - B. Give specific examples of negative impacts
 - C. Share information from the budget
 - D. Explain the purpose of the report
57. A current issue in the travel and tourism industry concerns developing facilities that are
- A. located in populated areas.
 - B. supported by government funding.
 - C. sensitive to the environment.
 - D. appealing to all market segments.
58. One way that technology impacts distribution in the travel and tourism industry is by making it possible for customers to
- A. obtain promotional materials.
 - B. buy directly from suppliers.
 - C. travel to distant locations.
 - D. work with experienced agents.
59. How is distribution in the hospitality and tourism industry different than many other industries?
- A. Hotels don't need to market their services.
 - B. Many of the end products are actually services.
 - C. Distribution doesn't exist in hospitality and tourism.
 - D. Tourists rarely book trips based on promotions.

60. One of Boris's coworkers at a deli cuts himself on the meat slicer. What should Boris do to help his coworker?
- A. Allow his emotions to take over.
 - B. Stay as calm as possible.
 - C. Attempt to treat the wound.
 - D. Evacuate the room.
61. Which of the following factors should be considered by hotels planning evacuation protocols:
- A. Hotel employee satisfaction
 - B. Hotel price and ratings
 - C. Local transportation services
 - D. The average income of customers
62. The marketing team at Tropical Boating Excursions decided to launch a new parasailing experience. However, the customer service department was focused on increasing customer satisfaction for already existing excursions. Therefore, the customer service department did not help promote the new experience, and it was unsuccessful. This issue could have been avoided with
- A. better coordination of activities between departments.
 - B. a stronger, better-staffed marketing department.
 - C. stricter management.
 - D. decreased collaboration.
63. During what phase of the project life cycle does the project manager activate project controls?
- A. Definition
 - B. Planning
 - C. Execution
 - D. Closing
64. The Gray Line bus company offers bus tours in various cities throughout the United States. Gray Line is included in which of the following components of the travel and tourism industry:
- A. Hospitality
 - B. Ground transportation
 - C. Travel mart
 - D. Wholesale distribution
65. If you want to evaluate the results of your project, you must first develop measurable, specific project
- A. objectives.
 - B. results.
 - C. consequences.
 - D. hopes.
66. During certain times of the year, Sparkle Janitorial Supply Company keeps extra mop buckets and cleaning carts on hand to avoid customer backorders. What type of inventory is the company maintaining?
- A. Just-in-time
 - B. Manufacturing
 - C. Aggregate
 - D. Buffer
67. Restaurant employees can help the restaurant control expenses by
- A. extending their shifts to include overtime.
 - B. answering the telephone courteously.
 - C. refusing to accept gratuities.
 - D. taking patrons' orders accurately.
68. When a purchasing agent ordered products for a national park's gift shop, s/he agreed to FOB destination terms. What can the purchasing agent expect as a result of these terms?
- A. The park will not be charged shipping charges since it's a government agency.
 - B. The purchasing agent will pay shipping charges from the vendor's shipping point.
 - C. The vendor will pay shipping charges to the national park's gift shop.
 - D. The transportation company will pay shipping charges to the park's destination.
69. One way to prevent breaches of digital customer data is to
- A. share data with all employees.
 - B. collect as little data as possible.
 - C. store data indefinitely.
 - D. report data security issues.

70. When handling cleaning chemicals, hotel housekeeping attendants should
- A. keep a log of ingredients found in the cleaning materials.
 - B. complete a purchase order when inventory is low.
 - C. avoid using eye goggles or ventilation masks.
 - D. avoid direct skin contact and wear disposable gloves.
71. Security considerations are important in the travel and tourism industry because tourists are often
- A. part of a group.
 - B. looking for trouble.
 - C. prone to injury.
 - D. targets of crime.
72. Morning Star Hotel values extraordinary customer service. The hotel trains all of its employees to go out of their way to create the perfect guest experience. In other words, excellent customer service is the hotel's brand
- A. promise.
 - B. identity.
 - C. touchpoint.
 - D. personality.
73. What is a trend that affects the growth of entrepreneurial ventures?
- A. A higher demand for more convenience products
 - B. The shift to an agricultural-based society
 - C. A rise in consumers' desire for slow response times
 - D. The reduced need for health care and related services
74. To present a positive impression during a job interview, the applicant should
- A. wear business-casual clothing.
 - B. demonstrate selective hearing.
 - C. exhibit enthusiasm.
 - D. provide short answers.
75. Libby managed a bed-and-breakfast inn for her aunt and uncle for several years and learned a lot from her experiences. Now, Libby is purchasing a large farmhouse and is turning it into a bed-and-breakfast inn that she plans to operate. This is an example of _____ in the hospitality industry.
- A. licensing
 - B. franchising
 - C. a strategic alliance
 - D. entrepreneurship
76. Hotels and motels that want to promote their facilities to a wide market often participate in
- A. art exhibits.
 - B. civic meetings.
 - C. tour groups.
 - D. travel shows.
77. Employees are more likely to be successful in helping a company achieve its organizational goals when they
- A. are promoted to management.
 - B. have appropriate training.
 - C. work independently.
 - D. socialize with their coworkers.
78. Which of the following industries has most impacted the development of the hospitality industry:
- A. Retail
 - B. Transportation
 - C. Lumber
 - D. Financial
79. Planning, scheduling, and monitoring are all aspects of
- A. finances.
 - B. resources.
 - C. ethical behavior.
 - D. project management.
80. Which of the following is a product factor that sandwich shops consider when deciding on the price to charge for menu items:
- A. Amount of advertising
 - B. Type of decor
 - C. Cost of food
 - D. Method of delivery

81. When a competing product that offers additional benefits enters the market, a business's product may become
- A. obsolete.
 - B. more popular.
 - C. trendsetting.
 - D. technologically beneficial.
82. Can any brand name be selected and used by a business?
- A. No, the name must be legally available for use.
 - B. Yes, a business can use any name it wants to use.
 - C. No, the name must be registered before it can be used.
 - D. Yes, brand names cannot be owned by a business.
83. Which of the following is an example of a business's core values:
- A. We deal honestly and fairly with our customers and ourselves.
 - B. We are decreasing our overall expenses by 5% over the next 12 months.
 - C. We demonstrate a customer service mindset.
 - D. We use social media to reach our target market.
84. The Queen Mary is a retired ocean liner that transported passengers between England and the United States from the 1930s through the mid-1960s. For a brief time during World War II, the military retrofitted the ship to use as a troopship. In 1967, the ship moved to Long Beach, California, and now serves as a stationary "floating" hotel and event venue that reflects the decor of days gone by. Based on the information provided, what is the Queen Mary's competitive advantage?
- A. Its gaming and entertainment attractions
 - B. Its tropical excursion options
 - C. Its unique historical attributes
 - D. Its customer service efforts
85. Claire booked a room at an inn in Charleston, South Carolina. When she arrived, she parked her car in the on-property parking garage. After checking in, she used the inn's check-cashing service and got restaurant recommendations from the concierge. In the evening, Claire enjoyed the cookies and milk provided by the inn. What is the supporting product in this scenario?
- A. Check-cashing service
 - B. Cookies and milk
 - C. On-property parking garage
 - D. Restaurant recommendations
86. The Coleman Company sells its own brand of tents, coolers, grills, and sleeping bags. This is an example of
- A. upselling.
 - B. monopolizing the outdoor market.
 - C. product positioning.
 - D. product extensions.
87. In order to be successful, a promotional message must be
- A. personal.
 - B. paid.
 - C. persuasive.
 - D. preferential.
88. During which stage of the product life cycle should a business focus on the points of difference between its product and its competitors' products?
- A. Declining
 - B. Maturity
 - C. Growth
 - D. Introductory
89. What is needed for continuous quality improvement?
- A. Biased feedback
 - B. Positional authority
 - C. Inconclusive information
 - D. Objective data
90. A company installs automatic sprinklers in all of its facilities. Which of the following techniques is the company using to combat the internal threat of fire:
- A. Loss reduction
 - B. Loss avoidance
 - C. Loss prevention
 - D. Risk transfer

91. Which of the following is an example of a tangible product:
- A. Cooking lessons
 - B. An insurance policy
 - C. A pizza
 - D. A haircut
92. A restaurant's reputation for providing excellent service can attract faithful customers
- A. during seasonal sales only.
 - B. because of the lower prices.
 - C. away from the competition.
 - D. with advertised specials.
93. Using a step-by-step selling process is likely to increase company
- A. morale.
 - B. salaries.
 - C. profits.
 - D. standards.
94. Car rental agents usually suggest that customers rent a larger car than the one requested online. This technique is known as
- A. suggestion selling.
 - B. substitute selling.
 - C. upselling.
 - D. outsourcing.
95. Mr. and Mrs. Johnson traveled to New York City, spent the night at the Ritz Carlton, and ate dinner at Tavern on the Green. Their choices were motivated by the internal psychological factor of
- A. esteem.
 - B. belonging.
 - C. safety.
 - D. self-actualization.
96. What hospitality service is a hotel employee most likely to recommend to a guest with young children?
- A. Babysitting
 - B. Dining
 - C. Courier
 - D. Interpreting
97. When answering the phone, hotel employees should
- A. immediately state the hotel's cancellation policy.
 - B. assume that all callers are seeking a reservation.
 - C. say the name of the hotel that the caller has reached.
 - D. hang up if the caller cannot be understood easily.
98. Which management function lays the groundwork for all of the other management functions?
- A. Organizing
 - B. Planning
 - C. Staffing
 - D. Directing
99. Organizing can help companies handle issues with _____ so employees know to whom to report and who is responsible for what.
- A. authority
 - B. reputation
 - C. efficiency
 - D. tracking
100. Which employees at a company participate in directing?
- A. All managers
 - B. First-line supervisors
 - C. Support staff
 - D. Top executives



KEY

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1. C

Strict laws fell upon the tobacco industry when people became angry about its harmful effects. Laws are vehicles for enacting social change and are often passed in response to shifts in public opinion as well as social movements. When people became angry about cigarettes and their harmful health effects, the government responded to this shift in public opinion by passing laws that limit tobacco companies in various way. Patents, punishments for vandalizing, and serious consequences for using illegal substances are not examples of how laws can enact social change.

SOURCE: BL:163 Comply with the spirit and intent of laws and regulations

SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

2. A

Statutory control. Four methods used to limit and regulate the activities of federal agencies are statutory control, political control, judicial review, and informational control. In many countries, the legislative branch has the power to pass statutes (laws) establishing federal agencies. This enabling legislation often identifies limits to the agencies' powers. In other words, these statutes control the agencies' activities. The government wields political control over these agencies by providing (or withholding) funding, by approving (or speaking out against) individuals nominated to lead these agencies, and by amending the agencies' enabling legislation. The courts can also control federal agencies by reviewing and deciding the legality of the agencies' actions. Finally, the public can indirectly control federal agencies through information. Most federal agencies are required to provide the public with information on different topics. After reviewing the information, private citizens can take action to influence the activities of these federal agencies.

SOURCE: BL:074 Discuss the role of administrative law

SOURCE: Cornell Law School Legal Information Institute. (2017, June). *Administrative law*. Retrieved September 21, 2020, from https://www.law.cornell.edu/wex/administrative_law

3. D

Are safe and clean. Hospitality products differ a great deal and include such items as a meal in a restaurant and a sleeping room at a lodging facility. The guests have a right to expect that the facility provides clean linens and disinfected bathrooms. Guests expect that the locks on the doors are adequate to keep them safe from intruders and that measures have been taken to keep guests from tripping over loose carpet. Guests have the right to expect that the food that they purchase is safe and free from bacteria. Since each individual has different standards, it is not realistic to expect hospitality businesses to meet everyone's standards. For example, a hotel restaurant cannot create every menu entree to make each guest happy. The restaurant must consider several factors including the target market and costs associated with the food. Amenities are the "extras" that a hospitality business provides—the extras that guests do not usually expect. Each country and/or local government has different regulations that hospitality businesses must follow.

SOURCE: BL:135 Describe the rights of customers in the hospitality and tourism industry

SOURCE: Rajaram, A. (2014, July 15). *10 basic things a hotel must offer guests*. Retrieved September 22, 2020, from <http://www.cntraveler.com/stories/2014-07-15/10-basic-things-a-hotel-must-offer-guests>

4. D

Collective bargaining. Collective bargaining, which is the negotiation of wages and other conditions of employment by a union or other organized body of employees, is an example of an organized labor-relations issue. Employee training, continuing education, and performance reviews are also important workplace activities, but they are not necessarily organized labor-relations issues.

SOURCE: HR:452 Explain labor-relations issues

SOURCE: AFL-CIO. (2020). *Collective bargaining*. Retrieved October 30, 2020, from <https://aflcio.org/what-unions-do/empower-workers/collective-bargaining>

5. A
To order supplies, employees must complete the R-3 form and then give it to their immediate supervisor. Businesses develop policies and procedures to ensure that employees carry out business activities in fair and systematic ways. Policies are general rules to be followed by company personnel, and procedures are the step-by-step processes personnel follow in performing specific tasks. Because the correct answer states the steps of a process (ordering supplies), it is a procedure. Dress codes, vacation time, and reimbursement rates are examples of policies because they are general in nature.
SOURCE: CO:057 Analyze company resources to ascertain policies and procedures
SOURCE: GradSchools.com. (2020). *Reading to extract the right information*. Retrieved September 21, 2020, from <https://www.gradschools.com/get-informed/surviving-graduate-school/study-skills-grad-school/reading-extract-right-information>
6. B
Exit interviews. The technique for capturing and transferring knowledge depends on the type of knowledge being sought. Exit interviews are a good way to gather information about employee satisfaction. Employees who are leaving will be more candid and willing to provide information. Someone who is job shadowing probably will not be able to provide information about employee satisfaction, because that person will not be informed about what it's like to work at the company. Communities of practice are focused on gaining knowledge in a particular field rather than on a company's employee satisfaction. Finally, job rotation might allow employees to capture and transfer information among themselves, but job rotation does not necessarily relate to employee satisfaction.
SOURCE: KM:005 Identify techniques that can be used to capture and transfer knowledge in an organization
SOURCE: Knowledge Management Tools. (2018). *Knowledge retention*. Retrieved October 30, 2020, from <http://www.knowledge-management-tools.net/kr.html>
7. A
A statement of the report's purpose. The executive summary provides an overview of the entire report and contains the most important information included in the body of the report. The first section of the executive summary should inform the reader about the purpose of the report—the reason the report exists. For example, if the report addresses a specific business problem, the report should cite the problem in the purpose statement of the executive summary. Recommendations are addressed in the recommendations section of the report. A letter of authorization might be included in a proposal that a business submits to a potential client. By signing the letter of authorization, the client provides approval to proceed with an activity or project. The first section of an executive summary does not acknowledge sponsors. Sponsors support activities, events, or projects rather than reports.
SOURCE: CO:091 Write executive summaries
SOURCE: Ward, S. (2020, May 20). *Executive summary of the business plan*. Retrieved September 21, 2020, from <https://www.thebalance.com/executive-summary-of-the-business-plan-2948012>
8. B
A game of tug-of-war. The relationship between buyers and sellers is like tug-of-war when it comes to product pricing. Both sides want to gain the most value—the sellers want to get a good price for their products, while the buyers want to get the best product for their money. The relationship between buyers and sellers is not best described as how bees are to honey, like night and day, or a one-sided relationship.
SOURCE: PI:001 Explain the nature and scope of the pricing function
SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)
9. D
Policy. Business-related complaints are often based upon a business's number and types of services offered or its policies. Since the hostess was pleasant, the complaint was not caused by restaurant personnel. The group had not yet purchased any products or been charged a price.
SOURCE: CR:010 Handle customer/client complaints
SOURCE: Ahmed, A. (2019, August 2). *Types of customer complaints*. Retrieved September 21, 2020, from <https://bizfluent.com/facts-5143574-types-customer-complaints.html>

10. C

Guest recovery. Guest recovery is the process of turning dissatisfied or angry customers into satisfied customers through quality service. The Tratiaana Resort is practicing guest recovery by responding quickly and offering an upgrade to an angry customer. This is not an example of poor customer service, brand evangelism, or product adaptation.

SOURCE: CR:045 Explain the nature of guest recovery

SOURCE: Pedanco. (2015, March 3). *The simple rules of guest recovery*. Retrieved September 22, 2020, from <https://blog.pedanco.com/the-simple-rules-of-guest-recovery-ee7daabe881>

11. D

Listen to the diner's concerns to determine a resolution. It's crucial for a waiter to respectfully listen to an unsatisfied diner to show concern and to determine the true cause of dissatisfaction. Explaining that a steak was properly prepared when the customer feels differently shows a lack of respect and concern. Instead of offering one solution, the staff member should work with the customer to determine what solution s/he would prefer. For example, if the diner doesn't have time to wait for a new meal, offering one is a poor solution. It is also important for a staff member to follow up with the customer to make sure s/he is satisfied with his/her experience before leaving the restaurant. If a staff member fails to handle and resolve customer complaints in a satisfactory manner, the customer is likely to never return.

SOURCE: CR:046 Determine strategies for resolving customer-service situations

SOURCE: Kokemuller, N. (2020). *Problem solving steps in customer service*. Retrieved September 22, 2020, from <https://work.chron.com/problem-solving-steps-customer-service-20738.html>

12. C

Is authentic and credible. You can recognize a true brand promise if it is authentic (real) and credible (believable). A true brand promise is tied to customer feelings and product benefits, not features and specifications. It should also relate to the entire organization and demonstrate the brand's uniqueness.

SOURCE: CR:001 Identify company's brand promise

SOURCE: LAP-CR-006—Share the Promise (Identifying Brand Promise)

13. A

Honesty. Customers who are treated with honesty are much more likely to have a positive experience. Because the pictures online accurately reflected Vinny's hotel room, he was happy with the experience. This example is not as directly related to respect, efficiency, or empathy.

SOURCE: CR:052 Identify factors associated with positive customer experiences

SOURCE: Parson, S. (2020). *12 tips for a positive customer experience*. Retrieved September 22, 2020, from <https://www.customerservicemanager.com/12-tips-for-a-positive-customer-experience/>

14. A

Accommodating the needs of parents. By providing kids with a fun activity, the store is helping parents entertain their children so the parents are free to shop. It's not likely that an expensive jewelry store would want to encourage children to visit. There's no indication that the store is planning to develop a jewelry line for kids. Providing an activity for children does not necessarily prevent them from touching displays.

SOURCE: CR:054 Accommodate special needs/specific requests of customers

SOURCE: McDermott, E. (2020). *Kid gloves: Dealing with customers' children at your small business*. Retrieved September 22, 2020, from <https://smallbusinessonlinecommunity.bankofamerica.com/community/running-your-business/general-business/blog/2013/05/08/kid-gloves-dealing-with-customers-children-at-your-small-business>

15. C

Alert guests that their tables are ready via text message. When restaurants are busy, it is important to keep customers entertained to improve their experience. One way to do so is to alert them via text message that their table is ready. That way, customers do not have to sit and wait—they can explore the surrounding area, run errands, etc. Providing discounts to guests who wait over 30 minutes is a good customer service policy, but it will not necessarily help keep customers from becoming impatient while they wait, because they will not receive the discount until they have already eaten. Determining which aspect of the restaurant's operations is slow can help improve wait times in the long run, but it will not keep customers from becoming impatient while they wait. Finally, checking reviews to see how customers feel about the wait time is a good way to improve customer service, but it will not help keep customers from becoming impatient while they wait.

SOURCE: CR:038 Identify strategies to manage customer experience during peaks in demand

SOURCE: Decker, F. (2016, August 3). *Managing restaurant wait times: How to keep your customers happy*. Retrieved September 22, 2020, from https://www.vitamix.com/us/en_us/managing-restaurant-wait-times-how-to-keep-your-customers-happy

16. C

Offer a discount on the customer's next stay. One way to engage with customers on social media is to encourage positive public feedback with discounts and other rewards. If a customer posts a positive review after his/her stay at the resort, the staff should offer the customer a discount to enhance his/her customer experience even more. There is no need for the resort to respond apologetically as the feedback is positive. Searching for customer trends is a good strategy but will not necessarily enhance the customer's experience. Finally, posting frequently will not necessarily enhance the customer's experience.

SOURCE: CR:028 Use digital media to enhance customer post-sales experience

SOURCE: Zeringue, A. (2017, October 24). *4 steps to enhancing the customer experience with social media*. Retrieved September 22, 2020, from <https://marketingland.com/4-steps-enhancing-customer-experience-social-media-226632>

17. B

Powering a motor vehicle with biodiesel instead of gasoline. A nonrenewable natural resource has the potential to become entirely depleted, and once gone, it cannot be replenished. Oil, which is used to produce gasoline, is an example of a nonrenewable natural resource. One way to conserve nonrenewable natural resources is to find alternative resources to use in their place. To conserve oil, automobile manufacturers offer vehicles that are powered by biodiesel, electricity, ethanol, or hydrogen instead of gasoline. While passing legislation to prevent the killing of endangered animals protects limited wildlife, it does not involve finding an alternative resource to use in place of a nonrenewable natural resource. Wind and the sun are both renewable natural resources. Searching for oil in new locations involves finding another source for the nonrenewable natural resource rather than finding an alternative resource to use in its place.

SOURCE: EC:003 Explain the concept of economic resources

SOURCE: LAP-EC-014—Be Resourceful (Economic Resources)

18. A

The price will increase. In this situation, a producer will normally increase the price in order to maximize profits. A decrease in the price would not achieve a maximum profit margin. Similarly, leaving prices at their present level would not maximize the advantage achieved through increased demand.

SOURCE: EC:006 Describe the functions of prices in markets

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

19. D

A well-known brand name. Often, opening a franchise brings an existing customer base that is familiar with the brand name, which can increase the possibility of success in comparison to a new, unknown business. Paying royalties and restrictions on products, prices, and location would be considered disadvantages of opening a franchise. Reliance on raw materials is a disadvantage of the manufacturing business model.

SOURCE: EC:138 Describe types of business models

SOURCE: Entrepreneur. (2020). *Franchising*. Retrieved September 21, 2020, from <http://www.entrepreneur.com/encyclopedia/franchising>

20. C

It helps enable the spread of culture and ideas. The ability to travel more freely contributes to globalization by helping to enable the spread of culture and ideas. Trends such as more affordable airfare give more people across the world the opportunity to travel and interact with each other. Freer travel does not necessarily break down political barriers between countries, nor does it escalate competition between businesses. Nationalism is a sense of pride in one's own country—it is not related to travel.

SOURCE: EC:104 Discuss the global environment in which businesses operate

SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

21. D

Charlyne is paying an excise tax that is already included in the purchase price. For certain products, the government levies taxes that businesses pay by building the amount into the customer's purchase price. In other words, instead of charging a tax in addition to the product's price, the business just charges a higher price to begin with, using the difference to pay the required tax to the government. These are known as excise taxes. Since Charlyne is paying the excise tax, she does not have to pay the tax later on her own. Property taxes are based on a percentage of a property's value. With a flat tax, every business pays the same percentage, no matter how much profit it makes.

SOURCE: EC:072 Describe the nature of taxes

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

22. D

Underground economy. The underground economy involves transactions in which money changes hands, but no receipts are kept. Since this income is not reported to the government, it does not become part of GDP. Uncounted production, double counting, and inflation do not deal directly with the exchange or transaction of money.

SOURCE: EC:017 Explain the concept of Gross Domestic Product (GDP)

SOURCE: LAP-EC-001—Measure Up? (Gross Domestic Product)

23. C

Serving internal customers. The process level refers to an organization's departments—marketing, finance, etc. These departments are often serving each other within the organizational framework, making each other their internal customers. Determining raises and bonuses, inventing new products, and creating organizational goals are not tasks involved in quality management at the process level.

SOURCE: QM:001 Explain the nature of quality management

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

24. D

Integrity. Having integrity means acting ethically even when no one is watching. Transparency and viability are also ethical principles, but DeMarcus is not demonstrating them in this example. DeMarcus is not demonstrating greed.

SOURCE: EI:124 Explain reasons for ethical dilemmas

SOURCE: LAP-EI-124—What's the Situation? (Reasons for Ethical Dilemmas)

25. A

To attract a new target market. Contraction is the deletion or removal of a product or product line from a company's product mix. A business would need to add to its product mix, not delete from it, in order to attract a new target market. Products or product lines may be deleted in order to make room for others the company wishes to add. A product or product line may be deleted because it is in conflict with other products offered. A company may decide to drop a product or product line because of the potential liability associated with the product(s).

SOURCE: PM:003 Explain the concept of product mix

SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)

26. C

Positive. An individual with a positive attitude looks for the good in every situation and expects things to work out well. The job applicant in this situation has a positive attitude toward the new job and the business. Being indifferent means having feelings that are neither positive nor negative. Negative and pessimistic attitudes reflect bad feelings about people and things and a gloomy outlook on life.

SOURCE: EI:019 Exhibit a positive attitude

SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)

27. D

Annual report. Enterprise risk management allows corporations to identify risks and decide which risks to manage. They should include their finalized ERM plans in their annual reports to make the information available to all their stakeholders. The annual budget, balance sheets, and quarterly projections are financial documents that do not deal with risk management.

SOURCE: RM:062 Discuss the nature of enterprise risk management (ERM)

SOURCE: Kenton, W. (2020, September 17). *Enterprise risk management (ERM)*. Retrieved October 30, 2020, from <https://www.investopedia.com/terms/e/enterprise-risk-management.asp>

28. A

Credibility. Credibility is how much people believe what you say. People are more likely to follow you as a leader if they believe what you say. To establish credibility, you must be able to do what needs to be done, which is demonstrating competence. Credibility also involves doing what you say you will do, which demonstrates that you are reliable. Creativity is the ability to generate unique ideas, approaches, and solutions. Integrity is adhering to an established set of personal ethics and sound moral principles. Adaptability is the ability to adjust to changing conditions.

SOURCE: EI:009 Explain the concept of leadership

SOURCE: LAP-EI-016—Lead the Way (Concept of Leadership)

29. B

Screening. Staffing is the management function of finding workers for the business. Staffing is an important function because employees do the work to accomplish the business's goals. Screening is a staffing activity that involves reviewing employment applications to determine which applicants have the skills that best fit the business's needs. Orienting is the process of familiarizing a new employee with the company. Training involves providing information or teaching skills that the employee needs to perform his/her job. Innovating is the process of generating unique ideas or products.

SOURCE: SM:065 Describe managerial considerations in staffing

SOURCE: Management Study Guide. (2020). *Staffing process - Steps involved in staffing*. Retrieved October 30, 2020, from <http://www.managementstudyguide.com/staffing-process.htm>

30. B

Get to know your team members. If you haven't shown interest in your team members as individuals, why should they listen to you or buy into the team vision you're presenting? Taking the time to establish good working relationships helps find common ground. Only working with your friends isn't necessarily possible or effective. Listening to your team members is a good idea, but it does not necessarily relate to the difficulty of sharing a vision with strangers. Finally, being a role model to your team helps to enlist them in a vision, but it doesn't necessarily relate to the difficulty of sharing a vision with strangers.

SOURCE: EI:060 Enlist others in working toward a shared vision

SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)

31. B

Continuous. Directing is a continuous process; managers must continuously monitor, guide, and supervise employees to ensure that they are progressing toward the company's goals. Directing is an active and engaged process, not a passive one. Directing should not be rigid; managers should take a creative, dynamic approach to directing. The directing function of management is intended to ensure that companies are as efficient as possible.

SOURCE: SM:066 Discuss managerial considerations in directing

SOURCE: Samiksha, S. (2020). *6 important features/characteristics of directing function*. Retrieved October 30, 2020, from <http://www.yourarticlelibrary.com/organization/6-important-featurescharacteristics-of-directing-function-organization-management/8670/>

32. D

Business sustainability. Entrepreneurs and small-business owners who value business sustainability generally have three intersecting goals: 1. Maximize long-term profitability; 2. Promote the health and well-being of the community; 3. Preserve the environment and conserve resources. Business sustainability isn't just about "going green"—it's about creating viability, or long-term value, for everyone. These are not the primary goals of business actualization, which means opening a business or turning a venture idea into reality, or corporate social responsibility, which involves giving back to the community through charitable activities. These are also not the primary goals of corporate sponsorship, which often involves corporations giving money to sponsor health initiatives, youth sports teams, or other community or business events.

SOURCE: EN:044 Describe the use of business ethics in entrepreneurship

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

33. B

Tax liability. A tax liability is tax that a person or business must pay the government. Certain events, like annual income, an inheritance, and money from the sale of an asset, are taxable. Since citizens must pay money on these sources of income, it is not untaxable income or a tax loophole. Sales tax is a type of tax that is paid on the sale of goods and services.

SOURCE: FI:067 Explain the nature of tax liabilities

SOURCE: Kagan, J. (2020, May 14). *Tax liability*. Retrieved September 21, 2020, from <http://www.investopedia.com/terms/t/taxliability.as>

34. D

Reduce expenses. Switching to a different internet provider to save money on a monthly bill is a way to reduce expenses. Businesses often use financial information to determine ways to reduce expenses. Saving money on the internet bill is not the same as increasing sales, creating a budget, or planning business expansion.

SOURCE: FI:579 Describe the need for financial information

SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

35. D

Previous fulfilled hotel reservations. Previous fulfilled hotel reservations are considered secondary data because they have been previously collected, and they can provide insight into trends that can help predict future revenue. Guests' personal income data help predict what guests can afford, but don't necessarily show any spending or travel trends that can predict future stays. Guest surveys about future travel plans are not a source of secondary data; the surveys are a primary source because they directly collect the information being sought. Guest surveys on service quality can provide insight into whether guests liked their stay, but these data are not as beneficial in predicting future revenue as previous fulfilled hotel reservations.

SOURCE: NF:237 Interpret descriptive statistics for business decision making

SOURCE: Landman, P. (2019, November 11). *How to forecast hotel revenue with optimized precision*. Retrieved September 22, 2020, from <https://www.xotels.com/en/revenue-management/how-to-forecast-hotel-revenue-with-optimized-precision/>

36. B

Unethical behavior in finance leads to catastrophic results. Ethics are incredibly important in finance because of the damaging effects that unethical financial practices can have on companies, their employees and customers, and the economy as a whole. People who work in finance are not naturally unethical. Ethics do not necessarily challenge companies to reduce operating expenses, nor do they prevent them from ever losing money.

SOURCE: FI:355 Discuss the role of ethics in finance

SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

37. C

Tell investors about the risks of these securities. Companies that sell securities have to tell the truth about the securities they sell. They must be honest about their business and the risks of securities. Securities cannot be guaranteed because they always involve some degree of risk. Investors should ask questions and do research on securities; a company should not discourage them from doing so.

SOURCE: FI:356 Explain legal considerations for finance

SOURCE: U.S. Securities and Exchange Commission. (n.d.). *The role of the SEC*. Retrieved September 21, 2020, from <https://www.investor.gov/introduction-investing/investing-basics/role-sec#.VDa8xPldXZJ>

38. A

Free cash flow. Free cash flow is cash that is left over after a company has paid its general operating expenses and capital expenditures. A high free cash flow indicates a financially healthy business that is able to expand, develop new products and services, and reduce its debt. Dividends are sums of money paid by a company to its shareholders out of its profits. A stock's value is simply a measure of what it is worth at a specific point in time. Limited cash flow would mean a company has very little cash moving in and out of the business.

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Tracy, P. (2020, August 5). *Free cash flow (FCF)*. Retrieved September 22, 2020, from <https://investinganswers.com/dictionary/f/free-cash-flow>

39. B

\$2,012. To calculate how much the business paid in credit card processing fees, first determine the total transaction interchange fees by multiplying the interchange rate by the total transaction amount ($2\% \times \$100,000 = \$2,000$). Then, calculate the total merchant account provider fees by multiplying the fee per transaction by the number of transactions for the month ($\$.05 \times 40 = \2). Finally, add together the total transaction interchange fees, total merchant account provider fees, and monthly fee to determine the total credit card processing fees that the business paid last month ($\$2,000 + \$2 + \$10 = \$2,012$).

SOURCE: FI:790 Calculate credit-card processing costs

SOURCE: Brophy, M. (2019, August 21). *How credit card processing feeds work: The ultimate guide*. Retrieved September 22, 2020, from <https://fitsmallbusiness.com/credit-card-processing-fees-2>

40. D

Create a trust. Trusts are a form of estate planning used to help transfer assets in a manner that avoids taxation. Estate taxes refer to taxes that must be paid by heirs to inherit financial wealth. Liquid assets are a form of financial wealth that is subject to taxes without the creation of a legal trust. A will is a legal document that helps ensure financial wealth is given to the heirs named within it, but it does not allow the heirs to avoid estate taxes.

SOURCE: FI:572 Explain the nature of estate planning

SOURCE: Kagan, J. (2020, April 5). *Trust*. Retrieved September 21, 2020, from <https://www.investopedia.com/terms/t/trust.asp>

41. D
They guide employees toward ethical behavior. Just like a compass points the way north, human resources managers must guide employees toward ethical behavior in the workplace. Human resources managers are, therefore, like moral "compasses" for their organizations. HR professionals are not often inaccurate when providing directions, they do not lead employees toward harmful situations, and they do not necessarily lead people toward the path of least resistance.
SOURCE: HR:411 Explain the role of ethics in human resources management
SOURCE: LAP-HR-411—Moral Mediators (Ethics in Human Resources Management)
42. A
Go on strike. When employees feel that they deserve better economic conditions, such as higher wages, they can go on strike until they are given the opportunity to negotiate pay raises. However, employees cannot file a lawsuit unless they are being paid an illegal wage that was agreed upon in their contracts. Quitting their jobs will not necessarily help employees receive raises. Obtaining workers' compensation will not help employees receive raises and is not appropriate for this situation.
SOURCE: HR:452 Explain labor-relations issues
SOURCE: National Labor Relations Board. (n.d.). *The right to strike*. Retrieved September 22, 2020, from <https://www.nlr.gov/strikes>
43. C
Determining whether or not people will purchase it. Pricing involves determining and adjusting prices to maximize return and meet customers' perception of value. The price of a product is often the most important factor in determining whether or not customers will make a purchase. Pricing does not determine what a product's packaging will look like, ensure products are in line with marketing objectives, or obtain information needed to develop new products.
SOURCE: MK:002 Describe marketing functions and related activities
SOURCE: LAP-MK-001—Work the Big Seven (Marketing Functions)
44. D
Geography and lifestyle. The tour package is designed to appeal to men and women who enjoy snowboarding, which is a hobby or lifestyle choice. The tour package includes accommodations at ski resorts in a particular area of the country, so the tour operator has also used geography to define the market. Segmenting a market on the basis of life cycle involves designing travel products to appeal to people in their various stages of life, such as retirees or young families.
SOURCE: MP:035 Identify ways to segment hospitality and tourism markets
SOURCE: Perceptive. (2018, August 27). *Everything you need to know about the 6 types of market segmentation*. Retrieved September 22, 2020, from <https://www.customermonitor.com/blog/everything-you-need-to-know-about-the-6-types-of-market-segmentation>
45. C
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.
SOURCE: NF:077 Assess information needs
SOURCE: Gunsch, J. (2020, August 27). *What is the difference between fact and opinion?* Retrieved September 21, 2020, from <http://www.wisegeek.org/what-is-the-difference-between-fact-and-opinion.htm>
46. B
Overload. Information overload occurs when a person has so much information to process that it becomes overwhelming. It isn't called information drain, although it is certainly a drain on productivity. It is also not referred to as information overkill or information burden.
SOURCE: NF:110 Discuss the nature of information management
SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

47. B
Registering your website's domain name. The first thing you should do when creating a basic website is choose and register a domain name (www.WebsiteABC.com, for example). Once you have chosen and registered a domain name, you can move on to designing and writing the content for your website as well as creating a home page.
SOURCE: NF:042 Create and post basic web page
SOURCE: Main, K. (2020, April 7). *The complete guide to building a small business website*. Retrieved September 21, 2020, from <https://fitsmallbusiness.com/small-business-website/#Design>
48. D
Automated. Room key cards are similar to credit cards. When the guest swipes his/her room key card at the point of sale (e.g., hotel restaurant), the computer chip that is embedded in the room key card transmits transaction data to the hotel's computer system, which adds the expense to the guest's folio or bill. The guest pays for his/her purchases during the checkout process. This software helps the resort accurately track its guests' buying behavior and increases hotel efficiency because it reduces paperwork by using a central bookkeeping system. The software is not independent, remote, or retractable.
SOURCE: NF:106 Use software to automate services
SOURCE: Mehl, B. (2018, December 14). *This is how hotel key cards work*. Retrieved September 22, 2020, from <https://www.getkisi.com/blog/how-do-hotel-key-cards-work>
49. B
Compare variables. A chain of hotels might analyze and interpret the marketing information contained in databases in order to compare several variables that change from property to property. For example, one hotel might be located in an affluent suburb while another one is located in an urban area. The chain might analyze the information in its database concerning both communities in order to make appropriate marketing decisions such as the types of services to offer in each location. Although the chain provides the same types of goods and services to both communities, it needs to analyze data in order to know if the consumers in each community have different wants and needs. Before analyzing databases to compare variables, a chain of hotels might survey guests and tabulate the findings. A chain would not analyze databases in order to organize products.
SOURCE: NF:185 Use database for information analysis
SOURCE: Bock, T. (2019, February 5). *How to identify relevant variables for market segmentation*. Retrieved September 22, 2020, from <https://www.qresearchsoftware.com/how-to-identify-relevant-variables-for-market-segmentation>
50. A
Government regulations. The government requires all businesses to maintain and keep certain types of business records for specific lengths of time. Some records that the government requires businesses to keep include personnel records and tax records. Privacy issues, technological needs, and the format of the records are considerations that affect the ways in which the firm maintains or stores the records rather than the types of records the firm keeps.
SOURCE: NF:001 Describe the nature of business records
SOURCE: LAP-NF-001—Record It (Business Records)
51. A
It is always changing. A business's environment is always in flux. That's why environmental scanning is so important. A business's environment cannot be avoided, and it will affect every business regardless of the industry. It consists of many elements, more than just the economy and technology.
SOURCE: NF:015 Conduct an environmental scan to obtain business information
SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

52. D
Demographics from a census report. Secondary research is research that already exists. An example is a governmental census report that can provide demographic information about certain areas. This research can help the restaurant owner figure out if a certain city is an appropriate target market for expansion. A survey about the eating habits of people in the city, a focus group with other restaurant owners in the city, and interviews with current employees are examples of primary research, not secondary research.
SOURCE: NF:281 Explain sources of secondary hospitality and tourism information
SOURCE: Destination BC. (2015, March). *Research guide for tourism operators*. Retrieved September 22, 2020, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>
53. A
Interviewing hotel guests. Interviews with guests are a way to capture in-depth, personalized information that is likely to be based on thoughts and feelings, not on numbers. Qualitative data are subjective information based on opinion and personal interpretations, not numbers. Analyzing web pages visited, tracking guests' use of amenities, and identifying which spa services are used most are all research activities that would provide quantitative data based on numerical information.
SOURCE: NF:283 Describe methods used to collect hospitality and tourism business information (e.g., observations, mail, telephone, Internet, discussion groups, interviews)
SOURCE: Destination BC. (2015, March). *Research guide for tourism operators*. Retrieved September 22, 2020, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>
54. B
More room reservations are booked online. Since customers are increasingly using mobile devices to make room reservations, hotels must provide websites and apps that are mobile friendly and have technology in place to handle them. Guests watching less television, expecting Wi-Fi service, and using more energy to charge mobile devices have little impact on how hotels conduct business.
SOURCE: NF:287 Track environmental changes that impact hospitality and tourism (e.g., technological changes, guest trends, economic changes, regulatory changes)
SOURCE: Ostdick, N. (2017, February 14). *5 surprising statistics behind the rise of mobile bookings*. Retrieved September 22, 2020, from <http://www.dcsplus.net/blog/5-surprising-statistics-behind-the-rise-of-mobile-bookings>
55. D
Tracking financial transactions. Accounting is the process of keeping and interpreting financial records. The financial records include a variety of data, such as monies received from sales transactions and monies paid to others (e.g., vendors) to cover expenses. Advertising activities are elements of the business's promotional function. Warehousing refers to the storage of goods for use by the business or for resale. Employees use production equipment to make a good or to facilitate a service the business sells.
SOURCE: FI:085 Explain the concept of accounting
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)
56. D
Explain the purpose of the report. A short report is a formal but brief document that provides information needed for decision-making. Tia should start her short report with an introduction that states the purpose of the report and captures the manager's attention. Next, she should share pertinent facts, concerns for the organization, and other relevant information. The report's conclusion should contain a short summary and can include a recommendation that reinforces the report's message. Specific examples of negative impacts and information from the budget can be shared in the body of the report to illustrate concerns. A short report is not appropriate for sharing formal plans.
SOURCE: NF:292 Prepare written reports for hospitality and tourism decision-making
SOURCE: Meier, K.S. (2018, August 8). *How to write a short report to the general manager*. Retrieved September 22, 2020, from <https://work.chron.com/write-short-report-general-manager-7223.htm>

57. C

Sensitive to the environment. Concerns about conserving and preserving the environment are important issues in the travel and tourism industry. There is more awareness about the harm that uncontrolled development can have on the physical environment and more pressure on developers to be responsible. As a result, the new facilities being developed take the environment into consideration and make adjustments to preserve native plants and animals. A trend in travel and tourism is towards more market segmentation rather than trying to appeal to all markets. In most cases, government does not fund private development. Many facilities are being developed in unpopulated areas, which increases the possibility of disturbing the natural environment.

SOURCE: NF:048 Describe current issues and trends in the hospitality and tourism industry

SOURCE: Borchev, B. (2017, March 21). *Environmental responsibility in the tourism industry*. Retrieved September 22, 2020, from <http://www.futuresdiamond.com/casi2020/blog/posts/environmental-responsibility-in-the-tourism-industry/>

58. B

Buy directly from suppliers. The technology that allowed for the creation of the internet and the World Wide Web makes it possible for customers to buy travel products directly from suppliers. Anyone with a computer and access to the internet can go online to obtain information about airline flights, cruises, hotel accommodations, etc., and buy those products online from the supplier. For example, a customer can access the home page of America West Airlines, select a flight, book the flight, pay for the flight, and download a boarding pass. This eliminates the middleman, or the travel agent, and allows customers to buy directly from suppliers. Customers are able to obtain promotional materials from a variety of sources, including the internet, travel agents, travel magazines, etc. Technology does not necessarily make it possible for customers to travel to distant locations or to work with experienced agents.

SOURCE: NF:060 Explain ways that technology impacts the hospitality and tourism industry

SOURCE: Vidal, B. (2019, December 5). *The new technology and travel revolution*. Retrieved September 22, 2020, from <https://www.wearemarketing.com/blog/tourism-and-technology-how-tech-is-revolutionizing-travel.html>

59. B

Many of the end products are actually services. Even though many of the end products are actually services, distribution is still a vital part of the hospitality and tourism industry. Most services still rely on the distribution of physical goods such as employee uniforms, hotel linens, pool cleaning chemicals, etc. It is not true that hotels don't need to market their services. Hotels, just like companies that sell physical goods, market their services to customers to improve their sales and build customer loyalty. It is also not true that tourists rarely book trips based on promotions. Tourists often book travel based on promotions that allow them to save money.

SOURCE: OP:529 Explain the concept of place (distribution) in the hospitality and tourism industry

SOURCE: Revfine. (2020). *Hospitality industry: The no. 1 hospitality information guide!* Retrieved September 22, 2020, from <https://www.revfine.com/hospitality-industry/>

60. B

Stay as calm as possible. When facing an emergency situation, it's critical to remain as calm as possible. Allowing emotions to take over can lead to hasty actions that may harm the situation, not help it. Boris should not attempt to treat the wound himself. Instead, he should call for emergency assistance and allow someone with medical training to clean the wound. There is no need to evacuate the room in the case of an injury.

SOURCE: OP:010 Handle and report emergency situations

SOURCE: Idaho Medical Academy. (2019, August 13). *How to keep your cool in an emergency*. Retrieved September 21, 2020, from <https://www.idahomedicalacademy.com/how-to-keep-your-cool-in-an-emergency/>

61. C

Local transportation services. When planning evacuation protocols, hotels should consider the availability of local transportation services to determine how evacuees will be removed from the premises. Hotel price and ratings, hotel employee satisfaction, and the average income of customers are not relevant factors to consider when planning an evacuation protocol.

SOURCE: OP:527 Identify factors affecting evacuation procedures/protocols

SOURCE: U.S. Homeland Security. (2019, July). *Planning considerations: Evacuation and shelter-in-place*. Retrieved September 22, 2020, from https://www.fema.gov/media-library-data/1564165488078-09ab4aac641f77fe7b7dd30bad21526b/Planning_Considerations_Evacuation_and_Shelter-in-Place.pdf

62. A

Better coordination of activities between departments. It is important for departments to collaborate with one another and coordinate their activities to work toward the business's overarching goals. If the marketing and customer service departments had coordinated with one another, they might have been able to align their priorities and goals. The new parasailing option would have been more likely to succeed. This issue would not necessarily be fixed by a stronger, better-staffed marketing department—there is no indication that the marketing department is weak or understaffed. Stricter management would not necessarily resolve this issue if departments are not coordinating activities. Decreased collaboration would have made it even more likely that the parasailing experience would fail.

SOURCE: OP:196 Coordinate activities with those of other departments

SOURCE: Wong, L. (2019, December 4). *11 ways to improve collaboration between departments*. Retrieved September 21, 2020, from <https://www.workzone.com/blog/9-ways-to-improve-collaboration-between-departments/>

63. C

Execution. During the execution phase, project activities are being carried out. During this phase, the manager controls and monitors the work that is being performed. During the definition phase of the project, the project is initiated, and the project charter is developed. The project objectives, work breakdown structure, and resource allocation needs are established during the planning phase of the project. During the closing phase of the project, the deliverables are evaluated, and team members and equipment are returned or reallocated to other functions.

SOURCE: OP:158 Explain the nature of project management

SOURCE: LAP-OP-158—Projected To Win (Nature of Project Management)

64. B

Ground transportation. This component includes bus companies, car rental companies, railroads, taxis, and limousines. The hospitality component includes accommodations, resorts, restaurants, and convention centers. The travel mart component includes retail travel agencies, business travel departments, and travel clubs. The wholesale distribution component buys products from the other components and sells them through retail travel agencies.

SOURCE: PD:111 Describe the nature of the hospitality and tourism industry

SOURCE: Level Access. (2020). *Traveling with disabilities: Ground transportation, hotels, & entertainment*. Retrieved September 22, 2020, from <https://www.levelaccess.com/traveling-disabilities-ground-transportation-hotels-entertainment/>

65. A

Objectives. To evaluate the results of your project, it's important to first define your objectives. These objectives should be measurable and specific. Objectives lead to project results. Consequences occur based on the results of the project. Objectives are more concrete and planned than simple hopes or wishes.

SOURCE: OP:159 Evaluate project results

SOURCE: Dummies. (n.d.). *Project management: How to state your project's objectives*. Retrieved September 21, 2020, from <http://www.dummies.com/careers/project-management/project-management-how-to-state-your-projects-objectives/>

66. D

Buffer. A business carries buffer inventory when the supply of and demand for goods are uncertain. If the demand goes up, and supply goes down, having buffer inventory helps the business to cover its needs until supply is stable and available. Items that a business uses to produce goods are manufacturing or work-in-process inventory. Aggregate inventory involves categorizing goods by use or need (e.g., dry goods or liquid goods). Just-in-time is an inventory control method in which the business orders goods just in time for them to be used or sold.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Borad, S.B. (2020, September 15). *Types of inventory/stock*. Retrieved September 22, 2020, from <https://efinancemanagement.com/costing-terms/types-of-inventory-stock>

67. D

Taking patrons' orders accurately. Food costs are a large part of a restaurant's expenses. When servers write down the wrong items, the wrong order is prepared. Patrons usually refuse to accept a meal they did not order, the food is wasted, and more time must be spent preparing the correct order. Answering the phone courteously is good practice but does not control expenses. Working additional hours would increase expenses. Refusing to accept gratuities, or tips, would reduce the employee's income.

SOURCE: OP:025 Explain employee's role in expense control

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

68. C

The vendor will pay shipping charges to the national park's gift shop. FOB stands for free (or freight) on board. If terms are FOB shipping point, the buyer pays shipping charges from the point where they are first picked up by the shipping company. If the terms are FOB destination, the vendor is responsible for paying the shipping charges until the goods reach their final destination. In this case, that is the national park's gift shop. Although the park is a government agency, it is still responsible for paying shipping charges. Shipping charges are paid by the vendor or the buyer—not by the shipping company.

SOURCE: OP:184 Track invoices

SOURCE: Bragg, S. (2018, October 6). *FOB destination*. Retrieved September 22, 2020, from <https://www.accountingtools.com/articles/2017/5/10/fob-destination#:~:text=FOB%20destination%20is%20a%20contraction,at%20the%20buyer's%20receiving%20dock>

69. B

Collect as little data as possible. One way that businesses can prevent large-scale breaches of customer data is to collect as little data as possible. If the business only collects the data that is necessary, rather than keeping a large amount of extraneous personal information, it will be less vulnerable. Sharing data with all employees increases the risk that customer data will be compromised. Storing data indefinitely also increases the risk of a data breach. Reporting data security issues is good practice, but it will not necessarily prevent data breaches in the first place.

SOURCE: OP:518 Comply with strategies to protect digital customer data (e.g., information about customers, customers' credit-card numbers, passwords, customer transactions)

SOURCE: Podnar, K. (2017, September 13). *How to protect customer data—and your company*. Retrieved September 22, 2020, from <https://contentmarketinginstitute.com/2017/09/digital-integrity-matters/>

70. D

Avoid direct skin contact and wear disposable gloves. To protect from bacteria transmission and skin irritation, hotel housekeeping attendants should wear disposable gloves when using cleaning chemicals. Housekeeping attendants generally alert their manager when cleaning-chemical inventory is low and do not complete the purchase order. When mixing or using toxic or strong cleaning chemicals, eye goggles or ventilation masks may need to be used. It is not necessary for attendants to keep a log of ingredients found in the cleaning materials; the ingredients are listed on the cleanser storage containers.

SOURCE: OP:134 Practice safe and sanitary handling/disposal of wastes/recyclables

SOURCE: OSHA. (n.d.). *Housekeeping*. Retrieved September 22, 2020, from <https://www.osha.gov/SLTC/etools/hospital/housekeeping/housekeeping.html>

71. D

Targets of crime. Tourists are often easy to identify because of the way they dress and behave and because of the sites and attractions they visit. For example, tourists in certain parts of the world are easily recognized because they do not look like the local people, and they do not speak the language. Furthermore, the perception often is that tourists carry a lot of money and are not particularly careful. Also, tourists may not be aware of high-crime districts and accidentally walk into those areas. All of these factors set up tourists as targets of crime. As a result, the travel and tourism industry stresses security and tries to prepare tourists for possible problems. For example, tour operators may point out areas of cities that the group should avoid, or cruise ships might tell passengers to use only certain taxis in ports of call. Tourists are not looking for trouble, nor are they any more prone to injury than other people. Many tourists travel only with family members rather than as part of a group.

SOURCE: OP:115 Explain security considerations in the hospitality and tourism industry

SOURCE: DDRB. (2016, May 24). *5 reasons why criminals target tourists*. Retrieved September 22, 2020, from <https://www.ddrlawyers.com/blog/5-reasons-why-criminals-target-tourists/>

72. A

Promise. A brand promise is a business's spoken or unspoken agreement with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. Morning Star Hotel's brand promise is to consistently go above and beyond for its customers to create an extraordinary guest experience. This is not the hotel's brand identity, brand touchpoint, or brand personality. A brand identity consists of those elements that are instantly recognized as representing a particular business or product. Brand touchpoints are all the opportunities that businesses have to connect with customers and reinforce their brand values. Brand personality is the projection of a brand that encompasses its values and emotional connections with consumers.

SOURCE: PM:206 Explain the nature of corporate branding

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

73. A

A higher demand for more convenience products. As the world becomes more technologically advanced, people work different hours, and some are working longer hours. With this in mind, many people are looking for products that make life easier. For example, a grocery store might offer fully cooked entrees and side dishes. These items require little, if any, preparation for eating. Technological and medical advancements have resulted in people living longer. In addition, a large segment of the population, the Baby Boomers, is reaching retirement age and might require more health care and related services. Therefore, health care needs are not reduced. As a result of technological and other advancements, the world is more fast-paced than in previous generations. Consumers generally want faster response times, not slower response times. An agricultural-based society depends on farming as a way to meet economic needs. The world has shifted to a technological-based society, not an agricultural-based society.

SOURCE: PD:066 Explain career opportunities in entrepreneurship

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

74. C

Exhibit enthusiasm. To present a confident and professional attitude during a job interview, an applicant should exhibit enthusiasm, which involves showing interest in the job and in the company. To exhibit enthusiasm, the applicant should smile, maintain eye contact with the interviewer, listen attentively, answer questions in as much detail as necessary, and ask appropriate questions. To present a positive impression, the applicant must also dress appropriately for the interview, which often involves wearing formal business attire, such as a business suit.

SOURCE: PD:028 Interview for a job

SOURCE: Clark, B. (2020). *How to show enthusiasm in an interview—6 ways*. Retrieved September 21, 2020, from <https://careersidekick.com/show-enthusiasm-interview/>

75. D

Entrepreneurship. Individuals who work in the hospitality industry gain a lot of experience and often have the ability to start their own hospitality businesses. The experience that Libby gained from managing a bed-and-breakfast inn for her aunt and uncle gave her the know-how and confidence to open her own lodging facility. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods or services. A strategic alliance or joint venture is an arrangement that involves two or more businesses entering into a relationship by combining complementary resources such as technology, skills, capital, or distribution channels for the benefit of all parties; the relationship is usually short-term or for a single project/transaction. Licensing is a business structure that requires the authorization or permission from an owner to another entity to use trademarked, copyrighted, or patented material (e.g., logo, name) for a specific activity, during a specific time period, for the profit of both parties. The situation in the question stem is not an example of franchising, licensing, or developing a strategic alliance.

SOURCE: PD:272 Explain career opportunities in hospitality and tourism

SOURCE: EHL Insights. (2020). *Hospitality: An industry of entrepreneurs*. Retrieved September 22, 2020, from <https://hospitalityinsights.ehl.edu/hospitality-industry-entrepreneurs>

76. D

Travel shows. Travel shows are presentations by hotels, motels, tourist attractions, and destination spots that highlight their facilities. Travel shows often are sponsored by travel agencies, which invite various properties in an area to staff displays and explain their features to prospective customers. Hotels and motels participating in travel shows are able to promote their facilities to a wide market and increase sales. Tour groups are organized trips often escorted by a guide. Civic meetings are gatherings of local residents. Art exhibits are displays of artwork.

SOURCE: PR:082 Explain promotional methods used by the hospitality and tourism industry

SOURCE: Tradefest. (2020). *The best travel & tourism trade shows and conferences in 2020 & 2021*. Retrieved October 30, 2020, from <https://tradefest.io/en/tag/leisure-travel-and-tourism>

77. B

Have appropriate training. Because each business functions differently, it is important for a company to provide its employees with training. Well-trained employees have the skills and knowledge to do their work correctly and efficiently. When employees do their work correctly and efficiently, they help the company achieve its organizational goals. Employees who receive promotions, work independently, and socialize with coworkers may or may not help the company achieve its organizational goals.

SOURCE: PD:255 Ascertain employee's role in meeting organizational goals

SOURCE: Indeed. (2020, September 9). *The importance of training employees: 11 benefits*. Retrieved September 21, 2020, from <https://www.indeed.com/career-advice/career-development/importance-of-training>

78. B

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

SOURCE: PD:105 Describe the development of the hospitality and tourism industry

SOURCE: Westcott, M. (n.d.). *Introduction to tourism and hospitality in BC: Chapter 2. Transportation*. Retrieved September 22, 2020, from <https://ecampusontario.pressbooks.pub/introtourismbc/chapter/chapter-2-transportation/>

79. D

Project management. Project management is the process of planning, scheduling, and monitoring the progress of a project to achieve a specific goal. Planning, scheduling, and monitoring are not aspects of resources, ethical behavior, or finances.

SOURCE: OP:003 Identify resources needed for project

SOURCE: LAP-OP-531—Get What You Need (Identifying Project Resources)

80. C
Cost of food. Product decisions involve deciding what goods or services to produce or to sell in order to satisfy customers' needs and wants. Pricing affects the product decision in several ways. For example, the cost of food needed to produce menu items has an effect on the type of food that will be produced as well as on the price of the menu items. If specialty meats are expensive, a shop might decide not to use them to make sandwiches, but to use less expensive types of meat. Also, the shop might select less expensive meats because it does not want to charge an extremely high price for its sandwiches. The method of delivery and the type of decor are place factors that affect pricing. The amount of advertising is a promotion factor that affects pricing decisions.
SOURCE: PI:001 Explain the nature and scope of the pricing function
SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)
81. A
Obsolete. Product/Service managers must realize that any of their products may become obsolete when competing products that offer additional benefits enter the market. When this happens, businesses may need a new product to compete. By developing new products, businesses can develop an image as trendsetters. Since the competing product offers benefits not found in other products, it will probably become more popular and will probably be more technologically beneficial than other products.
SOURCE: PM:001 Explain the nature and scope of the product/service management function
SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)
82. A
No, the name must be legally available for use. The business needs to make sure the brand name is not the property of another company since it is illegal to use another company's brand name. Brand names can be registered with the federal government in order to protect them, but this is not necessary in order to use a brand name that is legally available.
SOURCE: PM:021 Explain the nature of product/service branding
SOURCE: LAP-PM-006—It's a Brand, Brand, Brand World! (Nature of Product Branding)
83. A
We deal honestly and fairly with our customers and ourselves. A business's core values represent a business's primary values and provide the foundation on which its employees perform their work and conduct themselves. Although goals, strategies, tactics, and employees change, core values remain unchanged. Decreasing overall expenses is a goal. Demonstrating a customer service mindset is a competency or performance indicator. The use of social media is a tactic.
SOURCE: PM:214 Communicate core values of product/service
SOURCE: National Park Service. (n.d.). *What are core values?* Retrieved September 22, 2020, from <http://www.nps.gov/training/uc/whcv.htm>
84. C
Its unique historical attributes. Long Beach marketers communicate the ship's rich history to attract lodging guests and visitors. The ship is stationary, so it does not offer tropical excursions. There is not enough information to determine if the Queen Mary offers gaming and entertainment attractions or the level of customer service the ship provides.
SOURCE: PM:246 Identify product's/service's competitive advantage
SOURCE: The Queen Mary. (2020). *The Queen Mary timeline*. Retrieved September 22, 2020, from <https://www.queenmary.com/history/timeline/the-creative-years/>
85. B
Cookies and milk. Supporting products are the extra goods and services that accompany the core product, the room at the inn, to add value to that core product. In this case, the evening snack of cookies and milk added value to the core purchase. Check-cashing services, on-property parking garages, and restaurant recommendations are examples of facilitating products. They aid with the use of the core product.
SOURCE: PM:081 Explain the concept of product in the hospitality and tourism industry
SOURCE: SlideShare. (2015, October 25). *Definition and level product*. Retrieved September 22, 2020, from <https://www.slideshare.net/tellstprisakti/definition-and-level-product>

86. D

Product extensions. Product extensions occur when a business puts its name on a variety of products, such as Oakley sunglasses, electronics, apparel, footwear, watches, etc. Businesses use these extensions to leverage the awareness of an existing brand, to make a new product readily recognizable, to reach new customers, to keep a competitor from offering the product, and to refresh its image. The Coleman Company is not monopolizing the outdoor market, since it has a variety of competitors. Upselling occurs when a salesperson sells a more expensive product than that originally requested by the customer in order to better meet the person's needs. Product positioning occurs when a business creates an image of the product or company in customers' minds.

SOURCE: PM:099 Explain the nature of product extensions in the hospitality and tourism industry

SOURCE: Hirsh, L. (2020). *What is product extension in marketing?* Retrieved September 22, 2020, from <https://smallbusiness.chron.com/product-extension-marketing-65988.html#:~:text=Product%20extension%20is%20the%20strategy,popular%20product%20by%20offering%20variations>

87. C

Persuasive. The promotional message, whether personal, nonpersonal, paid, or free, should convince buyers that the product being offered for sale can satisfy their specific needs. It should not be preferential, or favor one group of customers over another.

SOURCE: PR:001 Explain the role of promotion as a marketing function

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

88. C

Growth. The product life cycle is the stages through which goods and services move from the time they are introduced on the market until they are taken off the market. The amount and type of promotion the business uses for a product is affected by the stage of the product's life cycle. During the growth stage, there are typically more competing products on the market. During this time, the business is likely to use promotional activities to differentiate its product from those of its competitors. During the introductory stage, promotion efforts are designed to inform the target market that the new product exists. Because the product is well established on the market during its maturity stage, a business's promotional efforts tend to focus on reminding customers of the product's benefits. During the product's declining stage, sales drop because newer products are being introduced to the market. Less money is spent on promoting the product, which may be phased out or taken off the market.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-001—Spread the Word (Nature of Promotional Mix)

89. D

Objective data. Continuous improvement is the ongoing process of looking for ways to increase the levels of excellence in relation to a process, good, or service. Objective data help the business determine which components of the process are working and where problems exist. By isolating the problems, the business can take action to correct and improve product quality. Positional authority is the authority and responsibility officially assigned to an individual who holds a position and/or a title on an organizational chart. Positional authority; inconclusive, or questionable, information; and biased feedback do not facilitate the quality-improvement process.

SOURCE: QM:003 Discuss the need for continuous improvement of the quality process

SOURCE: Smartsheet. (2020). *Where data serves people: Benefits of the continuous quality improvement approach.* Retrieved September 22, 2020, from <https://www.smartsheet.com/continuous-quality-improvement>

90. A

Loss reduction. Loss reduction is a form of risk control. Risk control methods are used to reduce or minimize loss. Loss reduction lessens the impact of a loss after it occurs. For instance, although the automatic sprinklers won't prevent a fire from starting, they will lessen the impact that the fire has on the company's buildings. Companies utilize loss avoidance when they choose not to take part in risky activity. Loss prevention focuses on stopping certain losses from occurring. Companies transfer risk by purchasing insurance and entering into contracts that transfer the risk to others.

SOURCE: RM:058 Discuss the nature of risk control (i.e., internal and external)

SOURCE: Insuranceopedia. (2020). *Loss reduction*. Retrieved September 22, 2020, from <https://www.insuranceopedia.com/definition/2795/loss-reduction#:~:text=Loss%20reduction%20is%20the%20practice,themselves%20from%20experiencing%20major%20losses>

91. C

A pizza. Pizza is a tangible product because it can be detected by the senses. Tangible products can be touched, smelled, tasted, seen, or heard. An insurance policy, cooking lessons, and a haircut are all intangible products because they are services you could pay someone else to perform. You cannot detect intangible objects through the senses.

SOURCE: SE:017 Explain the nature and scope of the selling function

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

92. C

Away from the competition. One category of buying motives is known as patronage motives and includes such reasons as customer service and quality of merchandise. Because of patronage motives, a customer makes purchases in one store rather than in another. Information was not provided about lower prices, seasonal sales, or advertised specials.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

93. C

Profits. Using a step-by-step selling process is likely to increase company profits because it is more efficient and effective than attempting to make sales with no plan in mind. Using a step-by-step selling process may or may not increase company salaries, morale, and standards.

SOURCE: SE:048 Explain the selling process

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

94. C

Upselling. When car rental agents suggest that customers rent more expensive vehicles than the ones they signed up for online, the agents are using a sales technique known as upselling. This helps to increase the amount of the sale. Substitute selling occurs when the requested item is not in stock or does not meet the customer's needs. Suggestion selling involves recommending an additional item to accompany the original purchase. Outsourcing involves the use of a third party to handle tasks that the company used to handle internally.

SOURCE: SE:476 Up-sell to enhance customer experience

SOURCE: Shopify. (n.d.). *Upselling*. Retrieved September 22, 2020, from <https://www.shopify.com/encyclopedia/upselling>

95. A

Esteem. Their trip satisfied their need for fulfillment of ego and status because the Ritz Carlton and Tavern on the Green are upscale establishments. Belonging involves the social need to be associated with others. Feeling protected from harm fulfills safety needs. Self-actualization involves realizing maximum potential and emotional well-being.

SOURCE: SE:220 Explain factors that motivate people to choose a hospitality and tourism site

SOURCE: InnerAction Media. (2016, October 12). *Maslow's hierarchy of needs & marketing*. Retrieved September 22, 2020, from <https://www.inneractionmedia.com/blog/maslows-hierarchy-of-needs-marketing>

96. A

Babysitting. If child care is offered by a hotel, employees might advise guests with young children about the service. By providing babysitting services, the hotel provides the parents with options allowing them to attend adult functions (e.g., theater productions, meetings, formal dinners). A courier provides delivery service. Dining information is usually available to all guests, not just to guests with young children. An interpreter is a person who translates different languages.

SOURCE: SE:221 Recommend hospitality and tourism services

SOURCE: Johnson, H. (2019, June 13). *These hotel brands have the best babysitting services*. Retrieved September 22, 2020, from <https://www.fodors.com/news/photos/these-hotel-brands-have-the-best-babysitting-services>

97. C

Say the name of the hotel that the caller has reached. To prevent misunderstandings, hotel employees should begin all phone conversations by stating the name of the hotel. Callers may have dialed the wrong number or forgotten which hotel they have called. Hotel staff should not assume that all callers are calling to make a reservation. People may also call a hotel to reserve a meeting room, to inquire about the hotel's facilities, or to ask about room rates, for example. It would not be appropriate to start a telephone conversation by stating the hotel's cancellation policy or to hang up if the caller cannot be easily understood.

SOURCE: SE:477 Process telephone orders in hospitality and tourism

SOURCE: Ward, S. (2019, June 25). *How to answer the phone professionally at your business*. Retrieved September 22, 2020, from <https://www.thebalancesmb.com/how-to-answer-the-phone-properly-2947153>

98. B

Planning. The planning function is the management function that lays the groundwork for all of the other management functions. Organizing, staffing, and directing decisions are based on the plans the business has established.

SOURCE: SM:001 Explain the concept of management

SOURCE: LAP-SM-001—Manage This! (Concept of Management)

99. A

Authority. Many organizations have issues with authority—to whom to report, who is responsible for what, etc. Organizing helps solve these problems. While organizing does help companies handle issues related to reputation, efficiency, and tracking, this particular example is not related to these types of issues.

SOURCE: SM:064 Explain managerial considerations in organizing

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

100. A

All managers. Directing happens at every level and in every department throughout the organization. Everyone from the CEO to first-line managers directs his/her staff. Support staff does not necessarily participate in directing because they are not managers.

SOURCE: SM:066 Discuss managerial considerations in directing

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