



## SAMPLE EXAM

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### BUSINESS MANAGEMENT + ADMINISTRATION CAREER CLUSTER

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

BUSINESS LAW AND ETHICS TEAM DECISION MAKING **BLTDM**

HUMAN RESOURCES MANAGEMENT SERIES **HRM**

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

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1. Tessa and her friends were caught drinking alcohol underage. This is an example of breaking
  - A. administrative law.
  - B. civil law.
  - C. criminal law.
  - D. international law.
2. What type of corporation may be owned by just a few people and does not offer its shares for sale to the general public?
  - A. Franchise
  - B. Private
  - C. "C"
  - D. Limited
3. Jon sues his former employer for harassment. In what situation would the employer be likely to offer Jon a settlement?
  - A. The employer wants the case to go to court.
  - B. The employer knows it will be able to win the case.
  - C. The employer does not think it will be able to win the case.
  - D. Jon does not think he will be able to win the case.
4. What is the first part of the litigation process?
  - A. Filing a motion to dismiss
  - B. Appearing in court
  - C. Investigating the complaint
  - D. Appealing the decision
5. The implementation of digital warehouse management systems is an example of how technology can impact \_\_\_\_\_ management.
  - A. financial
  - B. human resource
  - C. supply chain
  - D. employee
6. You can most effectively follow written directions by
  - A. reading the directions while you are distracted.
  - B. completing steps in the order written.
  - C. following steps in any order you choose.
  - D. completing the first step without reading the others.
7. While attending a presentation, Jimmy indicates to the speaker that he would like to ask a question. Before stating his question, Jimmy briefly sums up the speaker's lecture. Which communication technique is Jimmy using?
  - A. Gestures
  - B. Nonverbal
  - C. Probing
  - D. Paraphrasing
8. Individuals who can defend their ideas objectively usually are able to provide others with
  - A. personal opinions.
  - B. emotional information.
  - C. logical evidence.
  - D. unrelated statistics.
9. The technological innovation that has had the greatest impact on modern businesses is
  - A. electronic databases.
  - B. improved computer hardware.
  - C. the internet.
  - D. virtual training.
10. Which of the following statements regarding executive summaries is true:
  - A. Your executive summary should be approximately one-fourth to one-third as long as your entire report.
  - B. You should sequence the main ideas of your executive summary in the same order that they appear in your full report.
  - C. You should always write your executive summary before writing the body and appendices of your report.
  - D. You should use jargon, technical language, abbreviations, and slang frequently throughout your executive summary.
11. Jacob is determining the writing style to use for an analytical report. If most readers are likely to support the report's content, Jacob should format the report for a(n) \_\_\_\_\_ audience.
  - A. argumentative
  - B. indecisive
  - C. receptive
  - D. intellectual

12. Which of the following is the last component of a research report:
- A. Purpose of the study
  - B. Recommendations
  - C. Background information
  - D. Methodology
13. What is the best way to show empathy to a customer who received poor service and mentioned it to you?
- A. Ask them to complete a satisfaction survey.
  - B. Give the customer a credit on their account.
  - C. Listen, apologize, and thank them for sharing.
  - D. Promise them that it will never happen again.
14. What kind of customer would make the following statement: "I just don't know how these items got into my pocket."
- A. Dishonest
  - B. Suspicious
  - C. Disagreeable
  - D. Domineering/Superior
15. What economic activity is necessary for consumption to occur?
- A. Opportunity
  - B. Production
  - C. Financing
  - D. Management
16. When demand for an item exceeds supply, the price will usually
- A. decrease.
  - B. increase.
  - C. remain the same.
  - D. be discounted.
17. Brynn manages employees who are new on the job and need quite a bit of supervision. Therefore, she can only supervise a few employees at once. Brynn's span of control is
- A. open.
  - B. narrow.
  - C. wide.
  - D. tight.
18. Improved efficiency in the workplace usually increases
- A. productivity.
  - B. selling prices.
  - C. labor costs.
  - D. unemployment.
19. Consumer spending is likely to decrease when
- A. a federal income tax increase is implemented.
  - B. interest rates decrease substantially.
  - C. the production of goods and services increases.
  - D. unemployment levels decrease for at least a year.
20. Over the past few decades, a country has undergone a huge amount of economic development. This type of economic growth will most likely coincide with the country
- A. opting out of trading with other countries.
  - B. participating less in world trade.
  - C. participating more in world trade.
  - D. maintaining the same level of trade.
21. Before you make a decision, you consider how your actions will affect your employer, coworkers, customers, and community. You are showing \_\_\_\_\_ responsibility.
- A. social
  - B. personal
  - C. legal
  - D. ethical
22. Involving employees in the decision-making process leading up to a planned change is one way to help them become \_\_\_\_\_ the change.
- A. rebellious against
  - B. receptive to
  - C. resistant to
  - D. reluctant about
23. While making a presentation to a customer, Kip used complex terms that the customer didn't understand. In this situation, effective communication was hindered due to
- A. the use of jargon.
  - B. Kip's personal appearance.
  - C. the customer's emotional intelligence.
  - D. ongoing interruptions.

24. Which of the following is true of trust:
- A. It creates weaker relationships.
  - B. It is only necessary at home or school.
  - C. It exists among customers, not coworkers.
  - D. It is essential for success in the workplace.
25. When confronting another person about a conflict, it is important to avoid
- A. being objective.
  - B. using "you" statements.
  - C. using "I" statements.
  - D. listening to feedback.
26. Alyssa strives to come up with unique ideas, approaches, and solutions for her work group. What leadership characteristic does she demonstrate?
- A. Authenticity
  - B. Creativity
  - C. Passion for people
  - D. Integrity
27. If you always act ethically no matter what the situation is, you are
- A. being consistent.
  - B. communicating clearly.
  - C. providing feedback.
  - D. following the rules.
28. When Trish learned that her company was switching to a new computer software program, she accepted the change and worked overtime to become familiar with the new program. Trish exhibited \_\_\_\_\_ behavior.
- A. irresponsible
  - B. stubborn
  - C. passive
  - D. adaptable
29. A characteristic of democratic managers is that they generally
- A. explain the reasons behind procedures.
  - B. rely solely upon their own judgment.
  - C. encourage creative ways of doing things.
  - D. give very specific orders and instructions.
30. What is one reason that it is easier than ever for small businesses to engage in international trade?
- A. Technological advances
  - B. Decreasing international middle class
  - C. Language barriers
  - D. Increased regulation
31. Which of the following is a type of credit card that can be used to make purchases from a variety of participating businesses:
- A. Retail store
  - B. Bank
  - C. Hotel
  - D. Petroleum
32. Chandra wants to develop a personal budget. What is the first step she should take?
- A. Establishing her goals
  - B. Estimating her income
  - C. Determining regular expenditures
  - D. Allocating income
33. If Diedra wants to open a savings account to save money for her dream vacation, she should place her money in a deposit-taking institution, such as a(n)
- A. investment bank or mortgage company.
  - B. savings and loan bank or investment bank.
  - C. commercial bank or credit union.
  - D. mortgage company or credit union.
34. If you are trying to create a personal budget, which of the following pieces of financial information is relevant to your purpose:
- A. A sample budget found online
  - B. A record of your monthly income
  - C. Your employer's assets and liabilities
  - D. Your best friend's cell phone bill
35. Checks, receipts, invoices, and purchase orders are examples of
- A. financial statements.
  - B. department ledgers.
  - C. source documents.
  - D. accounting standards.
36. What is the relationship between ethics and decision-making?
- A. Ethical principles often conflict with the right decision.
  - B. Ethics make decision-making difficult.
  - C. Ethics are a framework for good decision-making.
  - D. Decision-making helps form ethical principles.

37. According to the statement of cash flows in a company's annual report, its cash flow from operations last year was \$5,260,300 and its capital expenditures were \$980,200. What was the company's free cash flow?
- A. \$4,280,100  
B. \$1,863,391  
C. \$5,397,164  
D. \$6,240,500
38. A human resources manager is reviewing job applications for a marketing position to select which candidates to call for an interview. What process is the human resources manager performing?
- A. Negotiating  
B. Onboarding  
C. Prospecting  
D. Screening
39. Knowledge is \_\_\_\_\_ information.
- A. the raw, unprocessed form of  
B. less important and useful than  
C. understanding how to use  
D. more tangible and identifiable than
40. Which of the following is an ethical issue that relates to knowledge management in the workplace:
- A. The president of a small company asks their executive team for input regarding a business decision.  
B. A project leader requests that each member of their team provide a status report to the group.  
C. An employee deliberately doesn't share information with management that will help the company meet its goals.  
D. The sales manager of a manufacturing firm shares the firm's quarterly sales goals with the sales staff.
41. When selecting and implementing technological tools for an organization's knowledge management system, a primary factor to consider is
- A. accessibility.  
B. creativity.  
C. retention rates.  
D. product marketability.
42. A business might ask its employees to sign a nondisclosure agreement to
- A. protect its trade secrets.  
B. avoid discrimination lawsuits.  
C. ensure its employees' privacy.  
D. prevent copyright infringement.
43. A manager watches an employee perform a work activity and writes notes that describe the process. This is an example of capturing knowledge by
- A. interrogation.  
B. rationalization.  
C. observation.  
D. imitation.
44. Even though you might be anxious to jump into a new project, it's important to take the time to \_\_\_\_\_ before taking action.
- A. schedule  
B. plan  
C. monitor  
D. organize
45. Morgan Health Supply Company wants to expand its product line this year. It uses its budget surplus to invest in new products rather than to remodel its offices. What positive action is the company demonstrating?
- A. Provide excellent customer service  
B. Align strategies and activities with goals  
C. Demonstrate corporate responsibility  
D. Utilize touchpoints to reinforce company image
46. What should you include in a persuasive message to support your statements?
- A. Logical evidence  
B. Educated guess  
C. Simple language  
D. Personal opinion
47. When creating and posting information to a website, one of the most important considerations is the
- A. shopping cart.  
B. search engine.  
C. domain name.  
D. home page.

48. A limitation to the use of project management software is that it lacks the ability to
- A. make decisions.
  - B. calculate data.
  - C. track changes.
  - D. flag information.
49. Which of the following is an example of a database system:
- A. A library catalog
  - B. A chart reflecting sales revenue
  - C. A marketing report
  - D. Scheduling software
50. Which of the following strategies can help make data change easier:
- A. Ignoring errors during implementation
  - B. Communicating the benefits of the data change
  - C. Informing staff that data changes will continually occur
  - D. Rolling out data changes during a busy time of year
51. Which of the following is a factor that relates to the government category of an environmental scan:
- A. Stage of the business cycle
  - B. Religious affiliation
  - C. Import/Export regulations
  - D. Advances in technology
52. During the busy tourist season, a coastal surf shop sold 398 beach balls in June, 924 beach balls in July, and 537 beach balls in August. This information reveals that
- A. the supply of beach balls declined in June by 4%.
  - B. more tourists purchased beach balls in July than June and August combined.
  - C. beach-ball production rates increased in August.
  - D. the demand for beach balls peaked during July.
53. Which of the following facility components are inspected by authorized officials to ensure that safety ordinances are met:
- A. Elevators
  - B. Photocopiers
  - C. Computer networks
  - D. Portable cameras
54. When a customer or an employee is involved in a minor accident on the business's premises, an employee of the business should immediately
- A. report the accident to a supervisor or manager.
  - B. offer to take the person home.
  - C. help the injured person move to a quiet area.
  - D. call the local medical emergency number.
55. A team put a project at the bottom of its priority list and only realized too late that it was more work than the team originally thought. The team missed key deadlines, and the clients were extremely unhappy. This is an example of how
- A. ethics take up too much time in project management.
  - B. teams should only work with clients that are willing to cooperate.
  - C. project teams can face legal action for being unethical.
  - D. unethical project management damages stakeholder relationships.
56. Jillian is working on a knowledge management project. Her company wants to capture and understand how and why its managers use a certain collaboration software at work. To help her retrieve this information, Jillian carefully observes managers going about their daily routines using the software in question. She also asks the managers various questions about the software, such as "How does this tool make your life easier?" Jillian is attempting to retrieve \_\_\_\_\_ knowledge.
- A. embedded
  - B. tacit
  - C. explicit
  - D. understood
57. One of the most important aspects of project management involves
- A. identifying mistakes.
  - B. training employees.
  - C. buying supplies.
  - D. setting goals.

58. Why is it important in project planning to build in a safety net, or padding, when identifying resources?
- A. To try to cut corners
  - B. To find substitutes
  - C. To plan for the unexpected
  - D. To obtain financial support
59. To maintain positive, ongoing relationships with vendors, a business should
- A. embrace a team-oriented mindset.
  - B. develop complex contracts.
  - C. adopt an indifferent outlook.
  - D. focus on its own interests.
60. When is a business most likely to place a straight rebuy with a vendor?
- A. To change the quantities of items that it routinely orders
  - B. To accommodate customers' unique requests
  - C. To order seasonal merchandise
  - D. To replenish its regularly stocked items
61. What should an electronics store do when they learn that the new iPhone is expected to be more popular than ever?
- A. Build up anticipatory inventory
  - B. Lower the price of the iPhone
  - C. Use just-in-time inventory
  - D. Get rid of raw materials
62. Determine if the following statement is true or false: The primary purpose of quality-control measures is to evaluate employee efficiency levels.
- A. False; businesses also use quality-control measures to evaluate products, processes, and other business functions.
  - B. False; the primary purpose of quality-control measures is to evaluate the degree of excellence of goods and services.
  - C. True; businesses must evaluate their employees' performance to ensure that they are producing high-quality goods and services.
  - D. True; employees perform the work, so they are responsible for developing and implementing product-quality measures.
63. One of the benefits of setting goals that will help you in your relationships with others is that setting goals
- A. gives you a way to measure your progress.
  - B. helps you understand yourself.
  - C. helps you stay on task.
  - D. raises your level of self-esteem.
64. Kate is a consultant who specializes in helping companies discover and implement positive solutions to problems in their business processes. Kate's work could best be described as
- A. financial counseling.
  - B. public relations.
  - C. marketing research.
  - D. business analysis.
65. To reduce risks associated with unethical business activities, a company should clearly communicate its
- A. code of conduct to all employees.
  - B. terms-of-sale policies to executive managers.
  - C. product requirements to its primary distributors.
  - D. dividend payment schedule to suppliers.
66. A manufacturer uses software to run its production lines that can only operate on a maximum of 15 separate production lines at once. This is an example of a(n) \_\_\_\_\_ factor influencing process design.
- A. human
  - B. technology
  - C. regulatory
  - D. environmental
67. A business process change will likely be required if a company
- A. goes out of business.
  - B. merges with another company.
  - C. plans a meeting for Friday.
  - D. has a profitable quarter.
68. A disruption in the supply chain can cause a business to
- A. encourage employees.
  - B. make more money.
  - C. create happy customers.
  - D. stop production.

69. The main difference between arbitration and mediation is that
- A. mediation applies to criminal cases.
  - B. mediation involves a third party.
  - C. arbitration involves a judgment.
  - D. arbitration is a nonbinding process.
70. Supply chain networks encompass the flow and movement of \_\_\_\_\_ among \_\_\_\_\_.
- A. classified information; protest groups
  - B. employees and customers; governments
  - C. government officials; Fortune 500 companies
  - D. materials and information; organizations
71. Longer supply lines resulting from globalization will most likely increase \_\_\_\_\_ for suppliers.
- A. visibility
  - B. speed
  - C. product quality
  - D. risk
72. What is one way that employees can help their companies protect digital assets?
- A. Share passwords with everyone in the company
  - B. Follow company policies about giving out personal information
  - C. Download documents from unevaluated websites
  - D. Send out emails to update everyone on security policy changes
73. To protect customer data such as credit card information, businesses should
- A. use a shared server to store information.
  - B. accept payments in cash only.
  - C. require that all customers show an ID.
  - D. keep sensitive records encrypted.
74. Which of the following is an advantage of a supply chain's ability to adjust internal inventory levels:
- A. It develops better supplier relationships.
  - B. It no longer needs to monitor inventory levels.
  - C. It significantly reduces transportation costs.
  - D. It can respond to changes in the marketplace.
75. Even when times are tough for Caitlin's business venture, she tends to remain positive—she looks at the glass as half full rather than half empty. What characteristic of entrepreneurship is Caitlin exhibiting?
- A. Determination
  - B. Organization
  - C. Innovation
  - D. Optimism
76. Which of the following employees has a supply chain management career:
- A. Saeed interviews potential employees.
  - B. Rose orients new employees.
  - C. Ian is in charge of employee benefits.
  - D. Lena is in charge of demand forecasting.
77. What type of information can be included in an interview follow-up letter?
- A. Explanation of salary expectations
  - B. Chronological review of employment
  - C. Detailed description of education
  - D. Brief reminder of qualifications
78. Brandon, an accountant, wants to expand his professional network and stay up to date in his industry. However, he doesn't have time to commit to attending events on a weekly basis. Which of the following resources would best help Brandon achieve these goals:
- A. Classes/Seminars
  - B. Trade journals/periodicals
  - C. A professional association
  - D. A social group outside of work
79. When Caroline explains the company's rules of conduct to a new employee, she should also explain
- A. when the rules were implemented.
  - B. the specific reasons for having all the rules.
  - C. who developed the rules.
  - D. the consequences of breaking the rules.
80. In which of the following documents does the project manager clearly define the project's terms and conditions for stakeholders:
- A. Statement of work
  - B. Team agenda
  - C. The project audit
  - D. Project schedule
81. Change management occurs in a cycle because
- A. organizations always need to change.
  - B. organizations push for unnecessary change.
  - C. change is harmful for most companies.
  - D. change is difficult to implement.



82. Reviewing activity status reports helps a project manager
- A. develop specifications.
  - B. create barriers.
  - C. determine project scope.
  - D. control the project.
83. Which of the following is an example of a project manager delegating responsibility to a project team member:
- A. Stan asks Joanna and Tom for suggestions to improve process efficiency.
  - B. Bill tells Peter that he needs to remember to include a cover sheet with his TPS report.
  - C. Nina advises Milton that he is responsible for preparing the team's weekly status report.
  - D. Anne determines that Bob has the desired organizational skills to be on the project team.
84. ABC Builders is two months behind schedule on the mall it is building. Management has decided to "crash" the project. Which of the following is an example of "crashing" a project:
- A. Extend the completion date by two months
  - B. Stop the project and allow another company to finish it
  - C. Start installing lights now instead of waiting until the painting is complete
  - D. Hire 10 additional construction workers
85. What is the primary purpose of developing a post-implementation review during the closure phase of a project?
- A. To archive all project documentation
  - B. To document necessary changes for future projects
  - C. To formally release all resources from the project
  - D. To determine if the deliverables achieved project goals
86. The cost of employing product inspectors is a(n) \_\_\_\_\_ cost.
- A. internal failure
  - B. prevention
  - C. appraisal
  - D. external failure
87. Identifying and eliminating defects that cause variations in quality is the primary goal of
- A. acceptance sampling.
  - B. Six Sigma.
  - C. behavior modeling.
  - D. "Big Q."
88. What step in the Plan-Do-Check-Act (PDCA) continuous improvement technique involves analyzing the results of a small-scale change to determine if the change was effective?
- A. Do
  - B. Check
  - C. Act
  - D. Plan
89. Before beginning a new project, a manager who uses business process thinking would most likely
- A. examine the financial implications of the project to make sure it will be profitable.
  - B. explain to employees the end result that the manager wants to achieve from the project.
  - C. create a list of things that employees should avoid doing during the project.
  - D. determine the steps that employees need to follow to complete the project.
90. When a company uses computer software to assess the risk levels associated with alternative actions in a variety of business situations, it is conducting
- A. qualitative research.
  - B. a product feasibility study.
  - C. top-down forecasting.
  - D. what-if planning.
91. When a business actively takes steps to ensure that it is complying with safety standards, its goal is to reduce
- A. property disputes.
  - B. social responsibility.
  - C. fraudulent activity.
  - D. liability exposure.
92. A car manufacturer in Country A purchases parts from a factory in Country B. When Country B suffers a massive earthquake, the car manufacturer is forced to put production on hold until it can find another factory to supply the parts. What type of risk does this situation illustrate?
- A. Employee
  - B. Environmental
  - C. Political
  - D. Health and safety

93. An important part of the planning function of management is to determine the business's
- A. profits.
  - B. goals.
  - C. wants.
  - D. sales.
94. Which of the following is the first step of effective managerial planning:
- A. Establish criteria to evaluate strategies
  - B. Evaluate the quality of various processes
  - C. Develop procedures for activity implementation
  - D. Use a systematic approach to establish objectives
95. Under what circumstances would a company adopt a matrix organizational structure?
- A. It has offices in several cities.
  - B. It has mostly inexperienced employees.
  - C. It frequently uses cross-functional teams.
  - D. It has fewer than 50 employees.
96. What directing activity involves rewarding employees with positive feedback and monetary incentives?
- A. Coordinating
  - B. Supervising
  - C. Motivating
  - D. Producing
97. The primary way that managers control employees is by
- A. making sure employees are doing what they are supposed to be doing.
  - B. interacting with customers to see how employees are doing.
  - C. controlling the level of work-life balance that employees enjoy.
  - D. monitoring how the company's public relations team is performing.
98. Every month, a technology company has all-staff meetings in which employees team up and brainstorm new ideas together. Many of these ideas lead to innovative new products. This is an example of how \_\_\_\_\_ helps organizations innovate and change.
- A. collaboration
  - B. training
  - C. customer service
  - D. resilience
99. What does it mean to obtain sponsorship within the organization during the change management process?
- A. Earning the support of other companies in the industry
  - B. Obtaining funding for the change from an external sponsor
  - C. Gaining acceptance of the change from company stockholders
  - D. Securing the approval and involvement of senior executives
100. A work breakdown structure is hierarchical, which means that it
- A. logically organizes work into smaller parts.
  - B. eliminates unnecessary work.
  - C. ensures that 100% of the scope is covered.
  - D. can only be organized in one way.



**KEY**

Test Number 1247

# Business Management and Administration Cluster Exam

BLTDM – Business Law and Ethics Team Decision Making Event

HRM – Human Resources Management Series Event

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1. C  
Criminal law. Criminal law deals with crime, which can cause damage to an individual as well as society as a whole, and the legal punishment of criminal offenses. Underage drinking is a criminal offense. It is not an example of breaking civil law, administrative law, or international law.  
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. B  
Private. A private corporation may be owned by just a few people and does not offer its shares for sale to the general public. It usually is not required to make its financial activities public. For tax reasons, it must prepare reports for the state in which it operates. A "C" corporation usually sells millions of shares of stock to many stockholders. Limited is a type of partnership. A franchise is an agreement between a parent company and a franchisee to distribute goods and services.  
SOURCE: BL:003 Explain types of business ownership  
SOURCE: LAP-BL-003—Own It Your Way (Types of Business Ownership)
3. C  
The employer does not think it will be able to win the case. A party may offer a settlement if it believes it has little chance to win a case. In this example, if Jon's employer does not believe it will win, it may offer Jon a settlement. A settlement is a way to avoid the case going to court. Jon may or may not think he will win the case, but this does not influence his former employer's actions.  
SOURCE: BL:159 Describe factors affecting the settlement of legal matters  
SOURCE: Thompson, V. (2021). *Do companies try to settle harassment claims out of court?* Retrieved August 11, 2021, from <https://yourbusiness.azcentral.com/companies-try-settle-harassment-claims-out-court-15821.html>
4. C  
Investigating the complaint. When a lawyer is first contacted about a potential lawsuit, they must investigate whether or not the complaint is worth a lawsuit. This might involve doing research, hiring investigators, or interviewing people involved. Investigating the complaint must occur before anyone appears in court, files a motion to dismiss, or appeals the decision.  
SOURCE: BL:160 Describe the litigation process  
SOURCE: Murray, J. (2019, October 17). *The litigation process for businesses and individuals.* Retrieved August 11, 2021, from <https://www.thebalancesmb.com/litigation-and-business-disputes-398330>
5. C  
Supply chain. Supply chain management is increasingly influenced by modern technology as new innovations such as digital warehouse management systems become widely available. Digital warehouse management systems help companies distribute products more efficiently by tracking inventory in real time—they're a technology that allows for better supply chain management. This example does not illustrate the effect of technology on human resource, financial, or employee management.  
SOURCE: OP:478 Describe the impact of technology on supply chain management  
SOURCE: BR Williams Trucking. (2021). *Where's my inventory? 7 benefits of choosing a warehouse with a digital warehouse management system.* Retrieved August 11, 2021, from <https://www.brwilliams.com/blog/7-benefits-of-choosing-warehouse-with-digital-warehouse-management-system/>
6. B  
Completing steps in the order written. It's important to complete steps in the order written when you are following written directions. You should read directions when you can focus on them, not when you are distracted. You should follow directions in the correct order, not in any order you choose. Read every step of the written instructions before completing the first step.  
SOURCE: CO:056 Apply written directions to achieve tasks  
SOURCE: Classroom. (2020). *How to follow written instructions.* Retrieved August 10, 2021, from <https://classroom.synonym.com/follow-written-instructions-2251998.html>

7. D

Paraphrasing. Paraphrasing involves restating a message in other words in order to confirm or clarify its meaning. Nonverbal communication techniques include gestures, nodding, smiling, etc. Probing is seeking to uncover what others think, feel, or know.

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

SOURCE: Seeds for Change. (n.d.). *Active listening*. Retrieved August 10, 2021, from <https://www.seedsforchange.org.uk/activelisting>

8. C

Logical evidence. Being prepared will help individuals remain objective and able to offer logical evidence to back up their ideas. They should be prepared to explain supporting information because others may have questions or concerns about the ideas. Using logical evidence, such as related statistics or facts, will help individuals defend their ideas because they are relying on valid evidence rather than personal opinions. Individuals who defend their ideas objectively do not use emotional information, personal opinions, or unrelated statistics.

SOURCE: CO:061 Defend ideas objectively

SOURCE: Highbrow. (2020). *Defend your ideas without becoming defensive*. Retrieved August 10, 2021, from <https://gohighbrow.com/defend-your-ideas-without-becoming-defensive/>

9. C

The internet. The internet is the technological innovation that has had the greatest impact on modern businesses. It has changed the way everyone in the world works and lives. Improved computer hardware, electronic databases, and virtual training have certainly influenced the modern business world, but none so much as the internet.

SOURCE: NF:003 Identify ways that technology impacts business

SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)

10. B

You should sequence the main ideas of your executive summary in the same order that they appear in your full report. An executive summary is a summary of the most important points of a longer document such as a business report, business plan, or marketing plan. In fact, the executive summary is typically considered to be the most important part of a company's business or marketing plan because it gives an overview of the entire document and helps the reader determine whether it is worthwhile to read any further in the document. The main ideas of the executive summary should be presented in the same order that they appear in the full report. As a rule of thumb, an executive summary should be no more than one tenth of the length of the entire report. It is commonly recommended that you write your executive summary after writing the body of your report. You should avoid using excessive jargon, technical language, abbreviations, and slang in your executive summary.

SOURCE: CO:091 Write executive summaries

SOURCE: Bird, B. (2018, October 25). *How to write an executive summary*. Retrieved August 10, 2021, from <https://bizfluent.com/how-16566-write-executive-summary.html>

11. C

Receptive. An analytical report is a document that explains and evaluates an issue, opportunity, or problem. Often, the analytical report includes recommendations for a business to take a certain course of action. If the writer anticipates that most members of the audience are receptive and will agree with the recommendations, then using a direct approach to structure the report is optimal. The direct approach involves writing the report so it focuses the attention on the conclusions and recommendations. If the writer anticipates a skeptical, argumentative, or indecisive audience, the indirect approach may be the best way to structure the report. The indirect approach involves preparing a logical argument that supports the recommendations and focuses on the rationale behind the recommendations. Intellect refers to a person's level of understanding about a topic or concept, which varies per person and is not necessarily related to the structure of the report.

SOURCE: CO:185 Write analytical reports (i.e., reports that examine a problem/issue and recommend an action)

SOURCE: University of Kansas Writing Center. (n.d.). *Writing informational and analytical reports*. Retrieved August 11, 2021, from [https://writing.ku.edu/sites/writing.drupal.ku.edu/files/docs/Writing\\_Informational\\_Analytical\\_Reports.pdf](https://writing.ku.edu/sites/writing.drupal.ku.edu/files/docs/Writing_Informational_Analytical_Reports.pdf)

12. B

Recommendations. A research report is a written document that summarizes an investigation related to a particular issue or problem. The recommendations section is the proposed course of action, and it is the last component presented in the report. The purpose of the study, which appears at the beginning of the report, describes why the research is needed. The background or historical information is presented at the beginning of the report and usually appears after the purpose of the study. The methodology section of the report appears in the middle of the report and discusses the types of research tools used and why they were selected.

SOURCE: CO:186 Write research reports

SOURCE: Monash University. (2021). *Conclusions and recommendations*. Retrieved August 11, 2021, from <https://www.monash.edu/rlo/assignment-samples/engineering/eng-writing-technical-reports/conclusions-and-recommendations>

13. C

Listen, apologize, and thank them for sharing. By listening, apologizing, and thanking the customer for sharing, you demonstrate concern and interest in solving the problem. Giving an account credit is a nice gesture to compensate the customer for the inconvenience, but it does not show genuine concern. Promising that it will never happen again or giving the customer a satisfaction survey lacks empathy because there is no attempt to understand what they are feeling.

SOURCE: CR:030 Build and maintain relationships with customers

SOURCE: Freeman, S. (2017, May 23). *Four ways to build lasting customer relationships*. Retrieved August 10, 2021, from <https://www.forbes.com/sites/theyec/2017/05/23/four-ways-to-build-lasting-customer-relationships/#296753d7b1c5>

14. A

Dishonest. Dishonest customers intentionally attempt to avoid paying part or all of the cost of a good or service. Disagreeable customers are unpleasant and hard to help because they are argumentative, complaining, irritable/moody, insulting, impatient, and/or have a leave-me-alone attitude.

Domineering/Superior customers are overly self-confident and feel that they know more and are better than the average person. Suspicious customers question everything and may want facts and proof before being convinced that something is true.

SOURCE: CR:009 Handle difficult customers

SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

15. B

Production. The movement of goods, services, and resources is possible because of four economic activities: consumption, production, exchange, and distribution. In order for consumption to occur, goods and services must be made or produced. Production relies on consumers to provide resources, and consumption relies on producers to provide goods and services. Opportunity is a chance or benefit. Financing is a marketing function that involves understanding the financial concepts used in making business decisions. Management is the process of coordinating resources to accomplish an organization's goals.

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

SOURCE: LAP-EC-006—Are You Satisfied? (Economics and Economic Activities)

16. B

Increase. Businesses generally increase the price of an item that is in great demand. The laws of supply and demand can cause frequent and rapid price changes. When demand exceeds supply, the price will not decrease, remain the same, or be discounted.

SOURCE: EC:005 Explain the principles of supply and demand

SOURCE: LAP-EC-011—It's the Law (Supply and Demand)

17. B

Narrow. Brynn has a narrow span of control, meaning that she can only effectively supervise a few employees at one time. A wide span of control refers to supervising many employees at once. Open span of control and tight span of control are not terms used in organizational design.

SOURCE: EC:103 Explain the organizational design of businesses

SOURCE: LAP-EC-103—Designed to Work (Organizational Design of Businesses)

18. A  
Productivity. Productivity is the amount and value of goods and services produced (outputs) from set amounts of resources (inputs). Businesses use such methods as specialization of labor, efficient methods and equipment, participative decision-making, training and education, communication, motivation, and a good quality work life to increase workers' efficiency and productivity. Improved efficiency may actually reduce labor costs, selling prices, and unemployment.  
SOURCE: EC:013 Explain the concept of productivity  
SOURCE: LAP-EC-018—Make the Most of It (Productivity)
19. A  
A federal income tax increase is implemented. Consumer spending is one factor that indicates well-being of the economy. If the government increases taxes, consumers have less money to spend on other things. Spending also tends to decrease as unemployment increases because consumers are not working and do not have income to spend. Low interest rates and increased business activity are factors that indicate that the economy is growing and that consumers are spending their money.  
SOURCE: EC:081 Discuss the measure of consumer spending as an economic indicator  
SOURCE: Investopedia. (2020, December 30). *Consumer spending*. Retrieved August 10, 2021, from <https://www.investopedia.com/terms/c/consumer-spending.asp>
20. C  
Participating more in world trade. When a country undergoes a period of economic development, it is able to produce more goods, open more businesses, and create more jobs. This directly relates to the country's participation in world trade. For example, China's rapid economic development is related to the country becoming the world's biggest trading nation.  
SOURCE: EC:116 Explain the impact of a country's economic development on world trade  
SOURCE: Ortiz-Ospina, E. (2018, October 22). *Does trade cause growth?* Retrieved August 10, 2021, from <https://ourworldindata.org/trade-and-econ-growth>
21. A  
Social. Taking the characteristics of personal responsibility and expanding them to include consideration of your employer, coworkers, customers, and community is social responsibility. It means taking other people's needs, interests, and feelings into account and acting accordingly. It means not doing something to deliberately hurt or mislead others. Personal, ethical, and legal are types of responsibility, but none of them is the correct answer in this instance.  
SOURCE: EI:021 Demonstrate responsible behavior  
SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)
22. B  
Receptive to. In general, people are much more receptive to things they had a hand in shaping. People are less likely to be resistant, reluctant, or rebellious to things if they are involved in initiating or implementing them.  
SOURCE: EI:026 Adjust to change  
SOURCE: Misso, R. (2020, July 27). *How to help your employees adjust to change*. Retrieved August 10, 2021, from <https://www.forbes.com/sites/forbesbusinessdevelopmentcouncil/2020/07/27/how-to-help-your-employees-adjust-to-change/?sh=5486dce92f6f>
23. A  
The use of jargon. Effective communication requires that the receiver clearly understands the speaker's message. Jargon is a specialized language known only to a certain group of people. Different industries use jargon or terms that those who work in other industries do not always understand. When the receiver does not understand the speaker's jargon, a barrier exists that hinders effective communication. Effective communication in the example was not hindered because Kip dressed or looked unusual or because the customer lacked emotional intelligence. Ongoing interruptions, such as multiple phone calls, may hinder effective communication; however, the situation does not indicate that communication was interrupted.  
SOURCE: EI:007 Explain the nature of effective communications  
SOURCE: Desrosier, J. (2019, August 20). *Jargon is a barrier: Why it's important to keep it simple*. Retrieved August 10, 2021, from <https://www.govloop.com/community/blog/jargon-is-a-barrier-why-its-important-to-keep-it-simple/>

24. D

It is essential for success in the workplace. Trust is the belief that someone or something is reliable. Trust is essential for success in the workplace because businesses cannot run smoothly if employees can't trust each other to complete tasks or do quality work. Trust is not just necessary at home or school. Trust should exist among coworkers. Trust creates stronger relationships.

SOURCE: EI:129 Foster open, honest communication

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

25. B

Using "you" statements. When confronting another person about a conflict, it is important to be calm and objective. The best way to do this is to approach the disagreement as a problem that you want to solve together. A technique to keep the discussion from escalating into a shouting match is by using "I" statements and avoiding the use of "you" statements. Use "I" statements to convey your beliefs, perceptions, and feelings. "You" statements tend to place blame or fault on the other person. As a result, the other person tends to become defensive and angry. It is important to listen to feedback.

SOURCE: EI:015 Use conflict-resolution skills

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

26. B

Creativity. Alyssa is demonstrating creativity, the ability to come up with unique ideas, approaches, and solutions. Creativity is a vital, often overlooked, leadership trait. A leader must be able to imagine a better way of doing things and have a clear vision of the future that is not tied to the status quo. Leadership demands imagination, enthusiasm, and openness to new ideas. Integrity, passion for people, and authenticity are also important components of leadership, but in this situation, Alyssa demonstrates creativity.

SOURCE: EI:009 Explain the concept of leadership

SOURCE: LAP-EI-909—Lead the Way (Concept of Leadership)

27. A

Being consistent. Being consistent means that your ethical behavior does not waver or change based on the circumstances or situation. However, being consistently ethical does not necessarily mean that you are communicating clearly, providing feedback, or following the rules.

SOURCE: EI:132 Model ethical behavior

SOURCE: LAP-EI-132—Practice What You Preach (Modeling Ethical Behavior)

28. D

Adaptable. An adaptable person has the ability to adjust to changing conditions. To adjust to changes, a person must accept the fact that changes happen all the time under many types of circumstances. Once you accept that changes happen all the time, you learn to feel more comfortable when changes occur. In the example, Trish was adaptable because she understood that changes occur at work, and she took steps to adjust to the change by working overtime to become familiar with the new computer program. A stubborn person might resist change for a variety of reasons such as fear, contentment, or a lack of trust. Not only did Trish exhibit adaptable behavior, she exhibited assertive, responsible behavior by working to become familiar with the software.

SOURCE: EI:006 Demonstrate adaptability

SOURCE: LAP-EI-023—Go With the Flow (Demonstrating Adaptability)

29. A

Explain the reasons behind procedures. A characteristic of democratic managers is that they generally explain the reasons behind procedures. Instead of relying on their own judgment, they tend to share information and authority and to seek employee input on plans, problems, and decisions. They discuss possible solutions rather than giving specific orders. Laissez-faire managers encourage creative ways of doing things.

SOURCE: EI:037 Foster positive working relationships

SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)



30. A  
Technological advances. Due to the prevalence of the internet and other technologies, it is easier for businesses of any size to engage in international trade. A rising international middle class, rather than a decreasing one, makes it easier than ever for small businesses to engage in international trade. Language barriers and increased regulation do not make it easier to engage in international trade.  
SOURCE: EN:041 Describe small-business opportunities in international trade  
SOURCE: Suplierty. (2019, April 19). *Why international trade is really important to small businesses*. Retrieved August 10, 2021, from <https://supliertynews.com/2019/04/19/why-international-trade-is-really-important-to-small-businesses/>
31. B  
Bank. Bank credit cards can be used at any business that is affiliated with the system. This gives cardholders a wide range of businesses from which to choose. Retail store, hotel, and petroleum cards are issued by individual companies and may be used only at their facilities.  
SOURCE: FI:002 Explain the purposes and importance of credit  
SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)
32. A  
Establishing her goals. Before Chandra figures out the details of her budget, she needs to establish her goals. She can't create an effective or realistic budget unless she knows what goals she's focusing on. Estimating income, determining regular expenditures, and allocating income occur later in the budget development process.  
SOURCE: FI:066 Develop personal budget  
SOURCE: MyMoneyCoach. (2021). *7 steps to a budget made easy*. Retrieved August 10, 2021, from [https://www.mymoneycoach.ca/cgi/page.cgi/2/article.html/Budgeting\\_Tips/\\_7\\_Steps\\_to\\_a\\_Budget\\_Made\\_Easy\\_](https://www.mymoneycoach.ca/cgi/page.cgi/2/article.html/Budgeting_Tips/_7_Steps_to_a_Budget_Made_Easy_)
33. C  
Commercial bank or credit union. Savings and loan banks, commercial banks, and credit unions are depositing-taking institutions. A credit union is a nonprofit financial cooperative set up to provide savings and credit services to its members, who own the credit union. Commercial banks offer a variety of services for consumers including checking and savings accounts, credit cards, and automobile loans. A savings and loan bank is a financial institution that offers savings accounts and makes loans to borrowers, most of which are for real estate purchases. An investment bank is a financial intermediary that underwrites securities and facilitates mergers. A mortgage company specializes in real estate (property) loans.  
SOURCE: FI:075 Describe types of financial-services providers  
SOURCE: State of Connecticut. (2021). *ABC's of banking*. Retrieved August 10, 2021, from <https://portal.ct.gov/DOB/Consumer/Consumer-Education/ABCs-of-Banking—Banks-Thrifts-and-Credit-Unions>
34. B  
A record of your monthly income. If you are trying to create a personal budget, you will need a record of your monthly income to know how much you can afford to spend. Your employer's assets and liabilities, as well as your best friend's cell phone bill, are irrelevant. A sample budget may be helpful, but it is not financial information.  
SOURCE: FI:579 Describe the need for financial information  
SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)
35. C  
Source documents. Checks, receipts, invoices, and purchase orders are examples of transaction source documents that represent a business's financial transactions. Source documents usually contain the transaction amount, the payer, the payee, the good or service being purchased or sold, etc. Financial statements are summaries of accounting information. Source documents are the inputs to the accounting cycle, while financial statements are the outputs. Department ledgers are accounting records for specific departments or areas of the business. Accounting standards are rules that accountants must follow when preparing financial statements.  
SOURCE: FI:085 Explain the concept of accounting  
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

36. C

Ethics are a framework for good decision-making. Ethics help accountants handle the difficult tasks required of them with honesty and make the right decisions in various situations. Ethics do not make decision-making difficult. Ethical principles also do not usually conflict with the right decision. Finally, decision-making does not necessarily help form ethical principles.

SOURCE: FI:351 Discuss the role of ethics in accounting

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

37. A

\$4,280,100. Free cash flow is the capital that a company has left at the end of a year after paying all of its expenses and making any necessary new capital expenditures. Investors often calculate a company's free cash flow to determine whether the company has funds to pay dividends to investors. The formula used to calculate free cash flow is  $\text{Free Cash Flow} = \text{Cash Flow From Operations} - \text{Capital Expenditures}$ . To determine the company's free cash flow, simply subtract the capital expenditures noted from the given cash flow from operations ( $\$5,260,300 - \$980,200 = \$4,280,100$ ).

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Fernando, J. (2021, February 20). *Free cash flow (FCF)*. Retrieved August 11, 2021, from <https://www.investopedia.com/terms/f/freecashflow.asp>

38. D

Screening. In the human resources function, screening involves "weeding out" the applicants that do not meet minimum requirements for the job or have not satisfactorily completed the application. Onboarding activities are human resources tasks that must be performed when a new employee joins the company (e.g., orientation and paperwork). Prospecting is a sales activity that involves identifying any person or organization with the potential to buy a product. Negotiating is the process of influencing someone to take a certain course of action to achieve a desired outcome.

SOURCE: HR:410 Discuss the nature of human resources management

SOURCE: LAP-HR-410—People Pusher (Nature of Human Resources Management)

39. C

Understanding how to use. Knowledge is the intangible combination of human experiences, insights, and intuitions that provides structure for interpreting and reacting to the world around you. It is understanding how to use information, which is data in useful form. Knowledge is not less important and useful than information. Knowledge is not the raw, unprocessed form of information. Finally, knowledge is not more tangible and identifiable than information.

SOURCE: KM:001 Explain the nature of knowledge management

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

40. C

An employee deliberately doesn't share information with management that will help the company meet its goals. Knowledge management is the process of leveraging the expertise, insight, and information of internal and external resources to help an organization achieve its goals. If an employee is unwilling to share information that will help the company improve its performance, achieve a competitive advantage, or develop innovative processes, an ethical issue may exist. For example, the employee might be unwilling to share information because they have a grudge against a certain manager. Or the employee might be unwilling to share information with coworkers because they want to use the knowledge as leverage with management for career advancement purposes. The remaining examples do not provide enough information to determine if an ethical issue exists in relation to knowledge management.

SOURCE: KM:002 Discuss the role of ethics in knowledge management

SOURCE: Mahan, T. (2019, October 17). *How to define ethical behavior & why it's important in the workplace*. Retrieved August 11, 2021, from <https://workinstitute.com/how-to-define-ethical-behavior-why-its-important-in-the-workplace-2/>

41. A

Accessibility. A comprehensive knowledge management system includes many types of knowledge, processes, and information that are collected from employees at all levels of an organization. An effective knowledge management system must be accessible to the employees that need and use the knowledge. A retention rate is a mathematical calculation that indicates a business's ability to keep employees, customers, etc. Product marketability is the degree to which a good or service can be efficiently marketed to the target market. Creativity, retention rates, and product marketability are not primary factors that an organization considers when selecting and implementing the forms of technology to use to collect, store, and distribute knowledge.

SOURCE: KM:003 Explain the use of technology in knowledge management

SOURCE: Birkett, A. (2021). *Knowledge management systems: The ultimate guide*. Retrieved August 11, 2021, from <https://www.hubspot.com/knowledge-management-systems>

42. A

Protect its trade secrets. A nondisclosure agreement is a contract between an employer and an employee that states that the employee will not reveal the employer's trade secrets (e.g., formula, recipe, manufacturing technique) to future employers for whom the employee might work. Nondisclosure agreements provide the business legal recourse if a competitor attempts to use the information for financial gain or benefit. Businesses do not ask their employees to sign a nondisclosure agreement to avoid discrimination lawsuits, ensure their employees' privacy, or prevent copyright infringement.

Copyright infringement involves the unauthorized use of written or artistic works.

SOURCE: KM:004 Explain legal considerations for knowledge management

SOURCE: Twin, A. (2021, January 3). *Non-disclosure agreement (NDA)*. Retrieved August 11, 2021, from <https://www.investopedia.com/terms/n/nda.asp>

43. C

Observation. Observation involves obtaining information by watching others perform a task or activity. A business can obtain knowledge about work-task processes by observing employees performing their jobs. The manager is not rationalizing or imitating the employee's behavior. There is not sufficient information provided to determine if the manager is asking questions or interrogating the employee.

SOURCE: KM:005 Identify techniques that can be used to capture and transfer knowledge in an organization

SOURCE: Garfield, S. (2016, May 10). *10 types of knowledge management strategies*. Retrieved August 11, 2021, from <https://www.linkedin.com/pulse/10-types-knowledge-management-strategies-stan-garfield/>

44. B

Plan. Planning involves deciding what will be done and how it will be accomplished. You should plan before you begin a new project. Scheduling and organizing are steps in the planning process. Monitoring is checking on the progress of something periodically. It typically occurs during the course of the project.

SOURCE: OP:519 Plan project

SOURCE: LAP-OP-519—Plan On It! (Planning Projects)

45. B

Align strategies and activities with goals. By investing its budget surplus into new products rather than office remodeling, Morgan Health Supply Company is aligning its strategies and activities with its goal of expanding its product line. The new product line won't necessarily guarantee excellent customer service, demonstrate corporate responsibility, or utilize touchpoints to reinforce company image.

SOURCE: MK:019 Demonstrate connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.)

SOURCE: LAP-MK-019—Just Do It...Right (Company Actions and Results)

46. A

Logical evidence. Statements in a persuasive message should be supported with logical evidence. It is not effective to ask customers to do something without providing supporting information. Facts and statistics are types of logical evidence that have a positive impact on customers and help support your message. Logical evidence is much more effective than an educated guess or a personal opinion because guesses and opinions may be inaccurate. Using simple language is a writing technique that does not necessarily support your statements.

SOURCE: CO:031 Write persuasive messages

SOURCE: Communication Student Support Center. (n.d.). *Elements of persuasive/argument papers*. Retrieved August 10, 2021, from <https://valenciacollege.edu/students/learning-support/winter-park/communications/documents/ElementsofPersuasive.pdf>

47. D

Home page. The design and content of the home page is extremely important because many visitors do not go beyond that page. Therefore, it is important to create a home page that provides an overview of the website and links to other pages on the site. If the goal is to have visitors follow links to access additional information or make a purchase, the home page must generate interest and encourage visitors to continue. A search engine is a software program that automatically crawls the web looking for information pertaining to specified search terms and displays a list of results. A domain name is a business's web address. A shopping cart is a computer program designed to act as an online catalog and order processing center.

SOURCE: NF:042 Create and post basic web page

SOURCE: Key Web Concepts. (2021). *The importance of your site's homepage*. Retrieved August 11, 2021, from <https://www.keywebconcepts.com/the-importance-of-your-sites-homepage/>

48. A

Make decisions. Project management software helps project managers automate, schedule, and track the various project components by computer. If used appropriately, the software can help a project run efficiently. Project management software can calculate data, track changes, and flag information. One thing software cannot do is make decisions. Individuals make decisions that are often based on input entered into the computer.

SOURCE: NF:130 Utilize project-management software

SOURCE: Techopedia. (2021). *Project management software*. Retrieved August 11, 2021, from <https://www.techopedia.com/definition/13132/project-management-software>

49. A

A library catalog. Database systems organize data for easy retrieval. A library catalog helps libraries organize data and retrieve information about books easily. A chart reflecting sales revenue, a marketing report, and scheduling software are all useful business tools but are not examples of database systems.

SOURCE: NF:141 Access information in the database system

SOURCE: Oracle. (2021). *What is a database?* Retrieved August 10, 2021, from <https://www.oracle.com/database/what-is-database/>

50. B

Communicating the benefits of the data change. When data change occurs, it is important to obtain employees' support by demonstrating the benefits of the change to employees. Ignoring errors that come up during implementation is not a good idea, because those errors will cause problems later.

Management should make staff aware of specific data changes—not just inform staff that they will occur continuously. Finally, data changes should not occur during a busy time of year, because they could cause problems and affect the efficiency of the organization.

SOURCE: NF:264 Adhere to data change best practices

SOURCE: Hawley, J. (2017, March 9). *10 best practices and advice for the change management process*. Retrieved August 11, 2021, from <https://www.quickbase.com/blog/10-best-practices-in-change-management>

51. C

Import/Export regulations. Import/Export regulations are a factor that relates to government. The government can have a great influence on a business's decision-making, so it is important to include government in any environmental scan. Religious affiliation is a piece of demographic data. Stage of the business cycle relates to the economy. Advances in technology will be scanned in a separate category.

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

The demand for beach balls peaked during July. Statistics are information presented in numerical form. Businesses analyze and interpret statistics to make various business decisions, such as forecasting sales. By analyzing statistical information, the surf shop can plan its beach-ball orders to accommodate the anticipated demand. The provided data show that the surf shop sold the most beach balls during July, which indicates that the demand for beach balls peaked in July. Although the demand for beach balls declined in August, there is not enough information to determine if the production of beach balls increased during that time. Because statistical information is not provided for previous months, it is not possible to determine if the supply of beach balls declined by 4% in June. The number of beach balls purchased in June and August totaled 935, which indicates that the combined sales for June and August exceeded July's beach-ball sales. In addition, there is not enough information provided to determine if tourists were the only group of people who purchased beach balls.

SOURCE: NF:093 Interpret statistical findings

SOURCE: Formplus. (2020, December 7). *What is data interpretation? + [Types, method & tools]*. Retrieved August 10, 2021, from <https://www.formpl.us/blog/data-interpretation>

53. A

Elevators. Governments develop regulations to ensure the public's safety. Government regulations require businesses to have their elevators inspected on a regular basis by a government agent or independent entity to ensure that elevators are running correctly. During the inspection, the inspector might identify problems with the elevators that compromise the employees' and visitors' safety. By identifying the problems, the business can repair the elevators so they operate correctly and are in compliance. Photocopiers, computer networks, and portable cameras are equipment rather than components of the facility.

SOURCE: OP:339 Discuss legal considerations in operations

SOURCE: Schindler. (2021). *Tips for riders*. Retrieved August 11, 2021, from <https://www.schindler.com/us/internet/en/about-us/safety/tips-for-riders.html#button>

54. A

Report the accident to a supervisor or manager. Even though an injury is minor, a supervisor or manager should handle any sort of situation in which the business may be subject to lawsuits or liable for damages of any kind. A person with a minor injury would not be immobile and would not need to move unless they are causing a traffic problem. Medical emergency numbers are used only in cases of serious accidents or injuries. Offering to take the person to their home might be done later, if necessary, but it would not be an immediate step to take.

SOURCE: OP:009 Explain procedures for handling accidents

SOURCE: Pie Insurance. (2021). *Employer's guide: What to do when a workplace accident happens*. Retrieved August 10, 2021, from <https://pieinsurance.com/blog/safety/what-to-do-when-an-accident-happens/>

55. D

Unethical project management damages stakeholder relationships. One of the consequences of unethical project management is damage to stakeholder relationships. This can occur when teams miss key deadlines or fail to deliver promised results, such as the case with the team members who did not prioritize their project. The cooperation level of the clients does not relate to the team's ability to manage its schedule. This is not an example of how project teams can face legal action for being unethical. It is also not an example of how ethics take up too much time in project management.

SOURCE: OP:675 Describe the role of ethics in project management

SOURCE: LAP-OP-675—Projects With Principles (Ethics in Project Management)

56. A

Embedded. Embedded knowledge is information that is "trapped" within organizational routines, processes, and protocols. This type of knowledge is not clearly communicated; rather, it is hidden within employees' daily work routines. Tacit knowledge is knowledge that is intuitive—it is often hard to define and experience-based. Tacit knowledge is deeply personal and is often the hardest type of knowledge to capture. Explicit knowledge is widely available information that is easy to access and understand. An example of a source of explicit knowledge would be a company training manual. "Understood knowledge" is not generally a term used to describe one of the three main types of knowledge.

SOURCE: KM:018 Apply knowledge management processes

SOURCE: Knowledge Management Tools. (2018). *The different types of knowledge*. Retrieved August 11, 2021, from <https://www.knowledge-management-tools.net/different-types-of-knowledge.html>

57. D

Setting goals. Project management involves planning, scheduling, and monitoring the progress of the project to achieve a specific goal. Therefore, one of the most important aspects of project management is developing a clear understanding of the project objectives, or goals. Once the goal has been set, the project manager guides the group to complete the project and accomplish the goal. Project managers seek employees who have the training and ability to participate in the project. It is not always necessary to buy supplies to complete a project. If mistakes occur, the project manager helps the group correct the mistakes and continue the project.

SOURCE: OP:158 Explain the nature of project management

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

58. C

To plan for the unexpected. When identifying resources, it is important to be realistic. This often means planning for the unexpected because it's not a good idea to assume that everything will go correctly. Therefore, it is important to build in a safety net, or padding, in case something happens. For example, allow a little more time in the event that project members need to deal with other activities. It is not a good idea to try to cut corners and get by with less than you really need. Building in a safety net does not involve finding substitutes or obtaining financial support.

SOURCE: OP:003 Identify resources needed for project

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

59. A

Embrace a team-oriented mindset. To develop positive, long-term relationships with vendors, a business should be willing to collaborate with them and view the relationships as partnerships—this requires a team-oriented mindset. Developing overly complex contracts may cause friction with vendors. Being indifferent or focusing only on the business's interests may also cause friction, and neither are ways in which a business builds strong, long-term relationships with vendors.

SOURCE: OP:241 Maintain vendor/supplier relationships

SOURCE: Planergy. (2018, March 30). *10 strategies for improving supplier relationship management (SRM)*. Retrieved August 11, 2021, from <https://planergy.com/blog/improve-supplier-relationship-management/>

60. D

To replenish its regularly stocked items. A straight rebuy is a purchase order in which the business orders normally stocked items to replenish items that have been used or sold. Orders that are placed to accommodate customers' unique requests are special orders. A modified rebuy is a type of order in which there are changes in the quantities or styles of items that are routinely ordered. Seasonal merchandise includes items businesses order and sell during specific times of the year when demand is high (e.g., during the holiday gift-giving season). Large retailers often use blanket orders to purchase seasonal goods.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: SendPulse. (2021, January 12). *What is a straight rebuy: Definition and examples*. Retrieved August 11, 2021, from <https://sendpulse.com/support/glossary/straight-rebuy>

61. A

Build up anticipatory inventory. Anticipatory inventory is inventory that exceeds the levels currently needed to meet demands due to expected circumstances. If an electronics store learns that the new iPhone is going to be extremely popular, it should stock up on anticipatory inventory in preparation. Lowering the price of the iPhone is not an appropriate tactic. Just-in-time inventory is not an appropriate tactic either, because it will not prepare the store for a large amount of iPhone orders. Finally, getting rid of raw materials will not help the store prepare for the popularity of the new iPhone.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Wiley, C. (2021). *What is an anticipation inventory?* Retrieved August 11, 2021, from <https://smallbusiness.chron.com/anticipation-inventory-20839.html>

62. A

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

SOURCE: OP:163 Identify quality-control measures

SOURCE: LAP-OP-163—Take Control (Quality-Control Measures)

63. B

Helps you understand yourself. Goal setting helps you understand yourself, and understanding yourself helps you understand other people. Goal setting helps you stay on task, raises your level of self-esteem, and gives you a way to measure your progress, but these benefits do not necessarily help you in your relationships.

SOURCE: PD:018 Set personal goals

SOURCE: LAP-PD-918—Go for the Goal (Goal Setting)

64. D

Business analysis. Business analysis is the process of introducing and overseeing change within organizations for the purpose of producing positive outcomes. Kate's work is an example of business analysis because she helps companies discover problems within their business processes and then helps them implement solutions to those problems. Her work is not public relations, marketing research, or financial counseling.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: Villanova University. (2020, January 16). *What is business analysis?* Retrieved August 11, 2021, from <https://www.villanovau.com/resources/business-analysis/what-is-business-analysis/>

65. A

Code of conduct to all employees. The code of conduct outlines the company's rules, policies, procedures, and expectations regarding its employees' behavior in the workplace. A company should communicate and document its code of conduct to all employees because employees' personal ethics and values may differ from the company's ethics and values. When employees understand and follow the company's ethical standards, the company is less likely to encounter risks that hurt its reputation or cause it to become noncompliant. Terms-of-sale policies are sales policies that primarily affect the company's sales staff. Communicating product requirements to vendors is a purchasing activity. Open corporations are legally required to communicate dividend payment information to their shareholders.

SOURCE: RM:041 Explain the role of ethics in risk management

SOURCE: McNamara, C. (n.d.). *Complete guide to ethics management: An ethics toolkit for managers.* Retrieved August 11, 2021, from <https://managementhelp.org/businessethics/ethics-guide.htm>

66. B

Technology. There are many factors influencing business process design, including technology, human factors (such as morale and stress), regulatory changes, and environmental factors (such as competition and trends). This example demonstrates how technology can impact a process, not how human factors, regulatory factors, or environmental factors can impact a process.

SOURCE: OP:475 Describe the factors that influence business process design

SOURCE: Taylor, H. (2017, September 26). *Factors that affect process design*. Retrieved August 11, 2021, from <https://bizfluent.com/list-7444011-factors-affect-process-design.htm>

67. B

Merges with another company. An alteration to a company's current business process is considered a business process change. If a company undergoes a significant change, such as merging with another company, it requires a change in business procedures. Planning a meeting for Friday and having a profitable quarter are not reasons to change a business process. If a company goes out of business, it will no longer have business processes.

SOURCE: OP:476 Explain the causes of business process changes

SOURCE: The Hackett Group. (2021). *Enabling business process change*. Retrieved August 11, 2021, from <https://www.thehackettgroup.com/business-process-change/>

68. D

Stop production. If there is a disruption in the supply chain, a business may not get the materials it needs in time. In that case, it will be unable to manufacture products and will need to stop production. Supply chain disruptions do not help a business make more money, create happy customers, or encourage employees.

SOURCE: OP:477 Explain the impact of supply chain on business performance

SOURCE: Ingram, D. (2021). *How does supply chain management affect manufacturing companies?* Retrieved August 11, 2021, from <https://smallbusiness.chron.com/supply-chain-management-affect-manufacturing-companies-75841.html>

69. C

Arbitration involves a judgment. Both arbitration and mediation are used either to avoid litigation or alongside it, employing a third party to try to negotiate. However, arbitrators pass down a decision about the evidence given. Mediators simply help guide discussion and resolve the conflict. Mediation does not only apply to criminal cases. Finally, arbitration can be a binding process that replaces a trial.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: FindLaw. (2019, November 12). *Mediation vs. arbitration vs. litigation: What's the difference?* Retrieved August 11, 2021, from <https://adr.findlaw.com/mediation/mediation-vs-arbitration-vs-litigation-whats-the-difference.html>

70. D

Materials and information; organizations. Supply chain networks refer to the movement of materials and information among members of a network or organization. Supply chain networks do not involve the movement of employees and customers among governments, government officials among Fortune 500 companies, or classified information among protest groups.

SOURCE: OP:479 Describe supply chain networks

SOURCE: QuickBooks. (2021). *Supply chain network (SCNet)*. Retrieved August 11, 2021, from <https://www.tradegecko.com/supply-chain-management/supply-chain-network>

71. D

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

SOURCE: OP:480 Discuss global supply chain issues

SOURCE: Knut, A., & Strigel, A. (2020, January 28). *Supply chain risk management is back*. Retrieved August 11, 2021, from <https://www.mckinsey.com/business-functions/operations/our-insights/supply-chain-risk-management-is-back>



72. B

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

SOURCE: OP:517 Comply with strategies for protecting business' digital assets (e.g., website, social media, email, etc.)

SOURCE: DeMers, J. (2015, June 2). *How to protect your company's data by keeping your employees informed*. Retrieved August 11, 2021, from [https://www.huffingtonpost.com/jayson-demers/how-to-protect-your-compa\\_b\\_6993576.html](https://www.huffingtonpost.com/jayson-demers/how-to-protect-your-compa_b_6993576.html)

73. D

Keep sensitive records encrypted. Encrypting sensitive data such as credit card information, phone numbers, and addresses can prevent security breaches that can lead to information theft. Accepting payments in cash only may prevent security breaches but would most likely hurt a business' sales. Requiring customers to show a form of identification would not prevent sensitive information from being leaked or stolen. Businesses should use their own dedicated server for storing sensitive data. Using a shared server is a risk because other people or companies may have access to the information stored on it.

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

SOURCE: Rambo, B. (2019, June 27). *How you can help protect your business from fraud*. Retrieved August 11, 2021, from <https://quickbooks.intuit.com/r/operations-technology/how-to-protect-your-small-business-from-fraud/>

74. D

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

SOURCE: OP:303 Discuss the nature of supply chain management

SOURCE: QuickBooks. (2021). *The responsive supply chain*. Retrieved August 11, 2021, from <https://www.tradegecko.com/supply-chain-management/the-modern-supply-chain/responsive-supply-chain>

75. D

Optimism. Successful entrepreneurs possess an optimistic attitude. An optimistic person has a positive outlook on life and looks for the opportunities to grow, even when they experience challenges and setbacks. Organizational skills involve developing and executing processes or activities in a systematic way. Innovation is the process or ability to develop a new product, process, position, or paradigm. Determination is the drive or willpower to achieve a goal.

SOURCE: PD:066 Explain career opportunities in entrepreneurship

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

76. D

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

SOURCE: PD:297 Discuss employment opportunities in business management and administration

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

77. D

Brief reminder of qualifications. It is acceptable for applicants to include a brief reminder of their qualifications in an interview follow-up letter. Restating that they are qualified for the position is one way of saying that they are interested and would like to have the job. The reminder of qualifications should be very brief because the applicants will have covered that topic in detail during the interview. Information about employment history, education, and salary expectations is discussed in the interview and should not be reviewed in a follow-up letter.

SOURCE: PD:029 Write a follow-up letter after job interviews

SOURCE: Indeed. (2021, February 25). *How to write your own follow-up letter (with template and example)*. Retrieved August 11, 2021, from <https://www.indeed.com/career-advice/finding-a-job/follow-up-letter/>

78. C

A professional association. Joining a professional or trade association would help Brandon meet other professionals in his industry and stay up to date on industry trends. Unlike classes or seminars, professional organizations generally do not require weekly or even monthly participation—making them the perfect fit for Brandon's busy schedule. Trade journals and publications may help Brandon stay up to date on industry trends, but they would not necessarily help him meet other people in the industry. A social group outside of work would certainly help Brandon form friendships with a diverse group of people, but not necessarily with professionals in his field.

SOURCE: PD:036 Utilize resources that can contribute to professional development

SOURCE: AICPA. (2021). *3 reasons to get involved in professional organizations*. Retrieved August 10, 2021, from <https://www.aicpa.org/interestareas/youngcpanetwork/resources/career/3reasonstogetinvolvedinprofessionalorganizations.html>

79. D

The consequences of breaking the rules. The rules of conduct outline a company's policies, procedures, and expectations regarding employees' behavior in the workplace. By explaining the rules and the consequences of not following them, employers are making sure that employees understand what is expected of them and what will happen if they break the rules. Depending on the situation, the consequences of breaking the rules might include a reprimand, suspension without pay, or dismissal. Why and when the rules were developed and who developed them are not important facts to discuss with new employees.

SOURCE: PD:251 Follow rules of conduct

SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)

80. A

Statement of work. The statement of work (SOW) is a document that outlines the terms, commitments, and conditions of the project. It includes information about the project's activities, timelines, and deliverables. An agenda is an outline of a meeting's discussion topics that is distributed to attendees before the meeting. A project audit is a review of an in-progress project to determine both the successes and the problems that need improvement to complete the project. A project schedule documents the elements of the project in the order of time in which they need to be completed.

SOURCE: PJ:005 Initiate project

SOURCE: Landau, P. (2018, March 20). *Statement of work: Definition & examples*. Retrieved August 11, 2021, from <https://www.projectmanager.com/blog/statement-work-definition-examples>

81. A

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

SOURCE: SM:096 Explain the change-management lifecycle

SOURCE: SweetProcess. (2021). *Change management process: A conclusive guide*. Retrieved August 11, 2021, from <https://www.sweetprocess.com/change-management-process/>

82. D

Control the project. Controlling is the management function of monitoring the work effort. Various reports can help project managers monitor the work effort. An activity status report provides a project manager with information about where the project stands at a given point. If the activity status report indicates that the project is running behind, then the project manager can take steps to get the project back on track. Reviewing an activity status report does not create barriers but may identify them. The project manager determines the project scope and develops project specifications during the project planning phase rather than the project execution phase.

SOURCE: PJ:009 Execute and control projects

SOURCE: Villanova University. (2021, July 20). *Monitoring and controlling process groups*. Retrieved August 11, 2021, from <https://www.villanovau.com/resources/project-management/pmbok-monitoring-controlling-process-group/#.WPENJdLyuUk>

83. C

Nina advises Milton that he is responsible for preparing the team's weekly status report. Delegating is assigning authority or responsibility to another person and is an important aspect of effectively managing a project team. Delegation involves matching project tasks and activities with the team members who have the skills and expertise to perform them. Because Nina gives Milton the authority to prepare the team's weekly status report, she is delegating responsibility. Bill is providing Peter with critical feedback. Stan is asking Joanna and Tom to help him brainstorm ideas to solve a problem. Anne is conducting a staffing activity by determining that Bob possesses skills that she needs for her project team.

SOURCE: PJ:007 Manage project team

SOURCE: Landry, L. (2020, January 14). *How to delegate effectively: 9 tips for managers*. Retrieved August 11, 2021, from <https://online.hbs.edu/blog/post/how-to-delegate-effectively>

84. D

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

SOURCE: PJ:010 Manage project schedule

SOURCE: Simmons, M. (2020, September 16). *Project crashing in project management: Definition & best practices*. Retrieved August 11, 2021, from <https://www.projectmanager.com/blog/project-crashing-definition>

85. D

To determine if the deliverables achieved project goals. After the stakeholders receive the project deliverables, the project manager develops a post-implementation review. The post-implementation review is a formal, detailed assessment of the completed project in relation to the project's objectives. The document assesses the project's budgets, deadlines, processes, and the stakeholders' satisfaction with the results or deliverables. The "lessons learned" document outlines the successes and problems with the project. It includes suggestions for improvement for subsequent, similar projects. Although releasing project resources and archiving project documentation are important aspects of closing a project, these activities are not the primary purpose of the post-implementation review.

SOURCE: PJ:008 Close project

SOURCE: Westland, J. (2018, January 4). *What is post-implementation review in project management?* Retrieved August 11, 2021, from <https://www.projectmanager.com/blog/post-implementation-review>

86. C

Appraisal. The cost of employing product inspectors is an appraisal cost. Appraisal costs are the costs associated with catching defective products as quickly as possible (quality control). Internal failure costs are the costs associated with defective products before they make it to the customer. External failure costs are the costs associated with defective products that have reached the customer. Prevention costs are the costs associated with making sure defective products don't get made in the first place (quality assurance).

SOURCE: QM:001 Explain the nature of quality management

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

87. B

Six Sigma. The goal of Six Sigma in regard to quality management is getting rid of problems in a process that lead to variations in quality. By using the Six Sigma framework, companies can improve and control their quality management practices. Acceptance sampling involves inspecting a random sample of products to determine whether to accept or reject the entire batch. Behavior modeling is an instructional method in which trainees are given a specific model of behavior, told the consequences of failure to perform in that manner, provided opportunities to practice the behavior, and evaluated using the behavior. "Big Q" is a strategic approach to quality management that focuses on ingraining quality into every aspect of an organization. Identifying and eliminating defects that cause quality variations is the goal of Six Sigma, not acceptance sampling, behavior modeling, or "Big Q."

SOURCE: QM:002 Describe the nature of quality management frameworks (e.g., Six Sigma, ITIL, CMMI)

SOURCE: White, S. (2018, June 12). *What is Six Sigma? Streamlining quality management*. Retrieved August 11, 2021, from <https://www.cio.com/article/3237692/methodology-frameworks/six-sigma-quality-management-methodology.html>

88. B

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

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

SOURCE: ASQ. (2021). *What is the plan-do-check-act (PCDA) cycle?* Retrieved August 11, 2021, from <https://asq.org/quality-resources/pdca-cycle>

89. D

Determine the steps that employees need to follow to complete the project. Business process thinking is a method of thinking that emphasizes the importance of processes in business. Managers who use business process thinking would most likely focus on establishing the process that employees should follow before beginning a new project. While the end result is important in any project, managers who use business process thinking would place more emphasis on the process than the result when beginning a new project. They would not create a list of things employees should avoid doing during the project. Examining the financial implications of a project is important but does not describe business process thinking.

SOURCE: OP:474 Discuss business process thinking and its impact

SOURCE: Drew, C. (2019, December 7). *What is process thinking?* Retrieved August 11, 2021, from <https://helpfulprofessor.com/process-thinking/>

90. D

What-if planning. Companies often use computer software programs to analyze their levels of risk in different business functions. The software calculates a company's risk levels in a variety of scenarios based on different types of data queries. By establishing queries using different combinations of data, the company obtains results under many circumstances. The company analyzes the quantitative results of each scenario and uses them to make business decisions. This process is "what-if" planning. Qualitative research is a study based on opinion or expertise. Top-down forecasting is a method of predicting sales. During the product development process, businesses conduct product feasibility studies to determine the advantages and disadvantages of producing a certain good or service.

SOURCE: RM:042 Describe the use of technology in risk management

SOURCE: Zulz, E. (2017, October 17). *How to use 'what if' scenario planning as risk management*. Retrieved August 11, 2021, from <https://www.thinkadvisor.com/2017/10/17/how-to-use-what-if-scenario-planning-as-risk-manag?slreturn=1511291962>

91. D

Liability exposure. Businesses are morally obligated to be cautious and behave in ways that are not harmful to others. A business that takes steps to ensure that its facilities are safe tends to run a lower risk of liability exposure (e.g., lawsuits, damaged reputation, and financial loss). Complying with safety standards does not reduce a business's obligation to be socially responsible. Fraudulent activity involves dishonest behavior such as theft. Property disputes are conflicts associated with the use or ownership of land and buildings.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: Hakim Law Group. (2019, December 12). *How to effectively reduce liability exposure of your business*. Retrieved August 11, 2021, from <https://hakimlawgroup.com/how-to-effectively-reduce-liability-exposure-of-your-business/>

92. B

Environmental. Environmental risks include natural disasters. When relying on a factory in another country, the car manufacturer in Country A assumes the risk that if a natural disaster occurs in Country B, it will possibly be unable to continue production. This is not an example of employee, political, or health and safety risk.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Partner Engineering and Science. (2020). *Business environmental risk*. Retrieved August 11, 2021, from <https://www.partneresi.com/resources/glossary/business-environmental-risk>

93. B

Goals. Planning is deciding what will be done and how it will be accomplished. Managers begin the planning process by determining the goals and objectives they want the business to achieve. Then, they select the appropriate resources that will be needed to reach these goals. The planning function of management does not involve determining the business's sales, profits, or wants.

SOURCE: SM:001 Explain the concept of management

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

94. D

Use a systematic approach to establish objectives. Planning is the management function of deciding what will be done and how it will be accomplished. Deciding what will be done involves establishing objectives or desired outcomes. Using a systematic and organized approach helps the business set SMART objectives, which are objectives that are specific, measurable, attainable, relevant, and time-bound. The business develops strategies and procedures for implementation, establishes criteria to evaluate the strategies, and evaluates the quality of the strategies and processes after it sets the objectives.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: Mullane, T. (2015, April 24). *The basic steps in the management planning process*. Retrieved August 11, 2021, from <https://www.linkedin.com/pulse/basic-steps-management-planning-process-terry-mullane/>

95. C

It frequently uses cross-functional teams. A matrix structure is an organizational design that combines functional and divisional structures. Employees answer to a functional manager and to another cross-functional team. Matrix structures are more complicated but allow employees to collaborate with one another across departments. Whether or not a company has offices in several cities would not determine whether it would use a matrix structure. The number of employees and the level of employees' experience are also not related to whether or not a company adopts a matrix structure.

SOURCE: SM:064 Explain managerial considerations in organizing

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

96. C

Motivating. Directing is the management function of providing guidance to workers and work projects. A directing activity is motivating employees, which is prompting them to continue a certain behavior or to take a certain action. When a manager provides employees with positive verbal feedback for their performance or offers monetary incentives for them to achieve certain goals, the manager is motivating employees. Supervising involves monitoring the work effort. Coordinating involves linking activities to achieve a desired outcome. Producing involves combining inputs to create outputs—making goods or services.

SOURCE: SM:066 Discuss managerial considerations in directing

SOURCE: Management Study Guide. (n.d.). *Functions of management*. Retrieved August 11, 2021, from [https://www.managementstudyguide.com/management\\_functions.htm](https://www.managementstudyguide.com/management_functions.htm)

97. A

Making sure employees are doing what they are supposed to be doing. Managers control the actions and accomplishments of employees. Put simply, they make sure employees are doing what they are supposed to be doing. Managers do not necessarily control the level of work-life balance that employees enjoy. Managers do not control employees by monitoring how the public relations team is performing or by interacting with customers.

SOURCE: SM:004 Describe the nature of managerial control (control process, types of control, what is controlled)

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

98. A

Collaboration. One of the ways that an organization can encourage change is through collaboration. Collaboration between multiple departments allows for more creativity, which in turn leads to more innovation and change. This example is not related to training, customer service, or resilience.

SOURCE: SM:094 Describe relationship among innovation, learning, and change

SOURCE: Metcalf, M. (2017, July 21). *How to create a culture of innovation and learning*. Retrieved August 11, 2021, from <https://www.forbes.com/sites/forbescoachescouncil/2017/07/21/how-to-create-a-culture-of-innovation-and-learning/>

99. D

Securing the approval and involvement of senior executives. One of the most important steps in the change management process is obtaining sponsorship from senior executives within the organization. When company managers “sponsor” a change, they not only accept and approve of the change, they actively participate in bringing about the change. Sponsorship is critical for successful change management. Sponsorship in change management does not mean obtaining funding from an external sponsor, gaining acceptance from stockholders, or earning the support of other companies.

SOURCE: SM:095 Explain the nature of change management

SOURCE: Quereto, J. (2017, March 8). *Eight best practices of change management: Sponsorship*. Retrieved August 11, 2021, from <https://www.expressworks.com/leader-change-capability/eight-best-practices-change-management-sponsorship/>

100. A

Logically organizes work into smaller parts. A work breakdown structure is a document that details the division of a project's workload into smaller, more manageable parts. Work breakdown structures are hierarchical, which means that the work is organized in a logical way. Work breakdown structures do not necessarily eliminate unnecessary work. While work breakdown structures do help ensure that all of the scope is covered, this is not what is meant by "hierarchical." Finally, work breakdown structures can be organized in a variety of ways.

SOURCE: PJ:006 Prepare work breakdown structure (WBS)

SOURCE: ProjectManager. (2021). *The ultimate guide to... Work breakdown structure (WBS)*.

Retrieved August 11, 2021, from <https://www.projectmanager.com/blog/statement-work-definition-examples>