



SAMPLE EXAM

HOSPITALITY + TOURISM CAREER CLUSTER

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

HOSPITALITY AND TOURISM PROFESSIONAL SELLING **HTPS**

HOSPITALITY SERVICES TEAM DECISION MAKING **HTDM**

HOTEL AND LODGING MANAGEMENT SERIES **HLM**

QUICK SERVE RESTAURANT MANAGEMENT SERIES **QSRM**

RESTAURANT AND FOOD SERVICE MANAGEMENT SERIES **RFSM**

TRAVEL AND TOURISM TEAM DECISION MAKING **TTDM**

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

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1. A restaurant chain claims that a competitor does not follow hygiene standards, but it does not have any proof to support the claim. Which type of tort has the restaurant chain committed?
 - A. Strict liability
 - B. Negligent
 - C. Intentional
 - D. Criminal
2. David checked his luggage with a SkyHigh airline attendant before boarding a plane that was traveling from the Atlanta airport to the Denver airport. When he arrived at the Denver airport, David discovered that his luggage was lost. Who is liable for David's loss?
 - A. The SkyHigh Airline
 - B. The Atlanta airport
 - C. The Denver airport
 - D. The airline attendant
3. When Arthur travels out of the country, he picks up some souvenirs. When he tries to bring them back home with him, he discovers that he has to pay a tax on them. Arthur must pay the
 - A. travel duty.
 - B. travel tax.
 - C. customs duty.
 - D. souvenir tax.
4. What is the first step to providing a response to a customer's question?
 - A. Listening carefully to the whole question
 - B. Asking another coworker for help
 - C. Asking the customer clarifying questions
 - D. Avoiding giving the customer too much information
5. You think you have the best solution for a problem at work, but your colleagues don't believe that your idea will work. What should you do?
 - A. Accept defeat.
 - B. Become defensive.
 - C. Remain patient.
 - D. Reject feedback.
6. When giving an oral presentation, where should your eyes focus?
 - A. Look at your notes to make sure you stay on track.
 - B. Look directly at the most important person in the room.
 - C. Look around the room, making eye contact with the audience.
 - D. Look at the screen to make sure your PowerPoint slides are correct.
7. Hazel is organizing her company's unpaid invoices. She orders them by date, starting with the earliest unpaid invoice and ending with the most recent. Hazel is organizing the invoices
 - A. by order of importance.
 - B. chronologically.
 - C. geographically.
 - D. deductively.
8. Which of the following is an example of a simple report that businesspeople write:
 - A. Customer survey
 - B. Marketing plan
 - C. Instruction manual
 - D. Weekly status report
9. Rather than insisting that every company employee use the same method to introduce customers to the business's newest products, each employee can choose their own way to talk to customers about these products. As a result, some customers view the products favorably while others fail to recognize any benefits offered by those products. Which of the following customer service challenges is the company failing to meet:
 - A. Delivering consistent service
 - B. Training a diverse workforce
 - C. Accommodating special needs
 - D. Providing career advancement
10. An effective way to resolve customer complaints in the hospitality and tourism industry is to
 - A. be aware of common triggers of conflict.
 - B. understand what guests truly want.
 - C. maintain an authoritative attitude.
 - D. escalate conflict to upper management.

11. Employees can reinforce their company's positive image by
 - A. delivering on the company's brand promise.
 - B. developing a broad product/service mix.
 - C. sharing its intellectual property with competitors.
 - D. advocating prestige pricing and price skimming.

12. Good service is especially important in the hospitality and tourism industry because success relies upon
 - A. high-end products.
 - B. return customers.
 - C. smart sales strategies.
 - D. networking efforts.

13. A hotel owner plans to conduct secondary research to learn more about guest satisfaction. Which of the following options would be the most appropriate method of secondary research for the hotel owner:
 - A. Review customer comments in the hotel database
 - B. Create a satisfaction survey to provide to all new guests
 - C. Interview the hotel staff members about guests' attitudes
 - D. Observe hotel guests to determine their satisfaction

14. What is a likely result of accommodating a customer's special request?
 - A. Other customers will feel they are not being treated fairly.
 - B. The customer will generate word-of-mouth influence.
 - C. The customer will become even more demanding.
 - D. The company will be perceived as inadequate.

15. The main difference between customer relationship management and customer experience management is that CRM focuses on
 - A. the business itself.
 - B. customers.
 - C. product development.
 - D. investors.

16. The manager of the Majesty Resort just quit in the middle of summer vacation season. They told the owner that they felt too overwhelmed by all of the work they had to do. The owner of the Majesty Resort should have
 - A. closed down the resort during peaks in demand.
 - B. hired a more responsible manager.
 - C. convinced the manager to stay.
 - D. increased staffing for peaks in demand.

17. What economic activity examines how money payments are divided between resource owners and producers?
 - A. Exchange
 - B. Consumption
 - C. Distribution
 - D. Production

18. Which of the following is a benefit of opening a franchise:
 - A. Large profits are made through added value.
 - B. Franchisors must pay annual royalties.
 - C. A working business model is already available.
 - D. Franchises have substantial purchasing power.

19. Which of the following "adaptable" strategies seeks to strengthen an organization by bringing employees together as well as by empowering them as individuals:
 - A. Slack resources
 - B. Marketing orientation
 - C. Organizational learning
 - D. Competitive aggression

20. What is one of the reasons that economic systems are necessary?
 - A. People are interdependent.
 - B. Governments are unstable.
 - C. Products are expensive.
 - D. Resources are unlimited.

21. Consumer spending is most likely to increase when
- A. unemployment rates decline.
 - B. interest rates rise rapidly.
 - C. business production slows.
 - D. a recession begins.
22. Cara recently purchased a local coffee shop from Tom. She runs the day-to-day operations of the coffee shop—hiring employees, ordering goods, and determining daily specials. She is happy running the coffee shop as it is and has no plans to expand. What does this situation exemplify?
- A. Cara is a wholesaler.
 - B. Cara is an entrepreneur.
 - C. Cara is a franchisor.
 - D. Cara is a small-business owner.
23. Making a decision when facing an ethical dilemma will most likely make you
- A. anxious.
 - B. less content.
 - C. unhappy.
 - D. more satisfied.
24. To manage their work commitments in a timely manner, businesspeople should
- A. estimate the time that it takes them to perform their tasks.
 - B. ask their coworkers to help them with routine activities.
 - C. work on enjoyable tasks before tackling the unpleasant tasks.
 - D. identify shortcuts that they can take to get their work done quickly.
25. When Sandy walks down the sidewalk, she looks people in the eye and says hello. What characteristic of a positive attitude does this display?
- A. Positive people are pleasant and smiling.
 - B. Positive people are responsible.
 - C. Positive people are flexible.
 - D. Positive people are uncomplaining.
26. Jeremy listened to his friend Mike's description of a problem Mike recently had at work and said, "It's easy to see why you are so upset." What empathetic trait does Jeremy have?
- A. Honesty
 - B. Understanding
 - C. Sharing
 - D. Open-mindedness
27. Tremont is the head manager of a successful downtown restaurant. The owner has requested a meeting with the staff to acquire their input on ways to maintain and improve their excellent service. Tremont realizes that some members of the wait staff are very reserved individuals. Other members of the wait staff are outspoken and impulsively offer unrealistic ideas. What could Tremont do to ensure the staff members provide their opinions and ideas in a productive way at the meeting?
- A. Ask the owner to share his expectations and future goals for service levels at the meeting.
 - B. Ask staff members probing questions about the current quality of service at the meeting.
 - C. Ask each staff member to bring two suggestions for service improvements to the meeting.
 - D. Provide time at the meeting for an open discussion about service among all staff members.
28. Michael is applying for a new part-time job. What should he do to increase his chances of receiving an interview?
- A. Send the hiring manager a weekly letter of interest
 - B. Emphasize his communication skills on his résumé
 - C. Provide the employer with his most recent credit report
 - D. Ask current employees to vouch for his abilities
29. Zachary's team includes people from many different departments working together to complete a project. Zachary is a member of what type of team?
- A. Standing committee
 - B. Cross-functional
 - C. Self-directed
 - D. Quality circle
30. Which of the following is an example of a workplace dilemma:
- A. Using vacation time
 - B. Academic dishonesty
 - C. Appropriate use of resources
 - D. Befriending coworkers

31. Something that is the current or existing way of completing a task is often referred to as
- A. status quo bias.
 - B. effective.
 - C. the status quo.
 - D. herd mentality.
32. Depending on the circumstances, stealing someone else's idea and passing it off as your own may constitute
- A. ethical accountability.
 - B. trademark awareness.
 - C. copyright infringement.
 - D. business negligence.
33. Which of the following is a benefit of credit cards over debit cards:
- A. Lower risk of debt
 - B. Interest payments
 - C. Consumer protections
 - D. Convenience
34. Maggie is creating a personal budget. How should she categorize her monthly rent and student loan payments, which are consistent from month to month, when organizing her budget?
- A. Variable income
 - B. Fixed expenses
 - C. Fixed income
 - D. Variable expenses
35. If you do not keep up with the balance of your checking account, you might
- A. incur fees and penalties.
 - B. have your identity stolen.
 - C. prevent fraudulent charges.
 - D. challenge the bank's authority.
36. When Armand is reconciling his accounts by comparing his personal records with his recent bank statement, he must make sure that he has subtracted any _____ from his checkbook.
- A. transaction fees
 - B. accumulated interest
 - C. payroll deposits
 - D. check numbers
37. Le' Grand Hotel experienced record profits and chose to reinvest those profits back into the hotel for a major remodeling project. Where would these retained earnings be represented on a balance sheet?
- A. Under contributed capital
 - B. Under assets
 - C. Under stockholders' equity
 - D. Under revenue
38. What do businesses often develop to reduce the possibility of employees accepting payment from customers without recording the sale?
- A. Internal control procedures
 - B. Credit card restrictions
 - C. Two-person teams
 - D. Break-even requirements
39. A business's finance function may be compromised by groupthink because the practice is likely to
- A. provoke conflict because it encourages others to express their opinions.
 - B. pressure employees to conform under questionable circumstances.
 - C. hinder consensus building in favor of individuality.
 - D. take a lot of time to evaluate problems to make ethical business decisions.
40. When a guest makes guaranteed reservations with a credit card, how is an authorization check applied to the card?
- A. The card is charged with the full room rate when the reservation is made.
 - B. A hold is placed on a portion of the card's available credit line when the reservation is made.
 - C. A hold is placed on a portion of the card's available credit line when the guest checks in.
 - D. The card is charged with the full room rate when the guest checks in.
41. After Taylor puts in her two weeks' notice at her job, her human resources manager schedules a time to sit down and talk about why she's leaving and how the company can improve. This is considered a(n) _____ interview.
- A. recruiting
 - B. exit
 - C. orientation
 - D. onboarding

42. Why is it essential for a company to have firm policies concerning discriminatory behavior?
- A. To eliminate discriminatory attitudes
 - B. To promote diversity
 - C. To eliminate workplace violence
 - D. To reduce diversity
43. Positive and negative results can often be directly related to a company's
- A. name.
 - B. taxes.
 - C. actions.
 - D. location.
44. A floral shop offers build-your-own-bouquet events for brides and their bridal parties. This is an example of
- A. mass marketing.
 - B. segment marketing.
 - C. demographic segmentation.
 - D. loyalty response.
45. Which of the following types of nonpublic personal information (NPI) can a company be held legally responsible for revealing:
- A. A customer's ownership of a home
 - B. A record of bankruptcy
 - C. A customer's published phone number
 - D. A customer's payment history
46. A company's computer network allows many users to access the same programs on different computer units throughout the company. What type of computer operating system is the company using?
- A. Hosted
 - B. Multithreading
 - C. Augmented
 - D. Multiprocessing
47. The primary purpose of groupware computer applications is to enable multiple employees with the ability to
- A. obtain the same information from a central point of access.
 - B. develop different formulas to manipulate financial data.
 - C. save documents in a variety of versions and formats.
 - D. create budgets for different business functions.
48. What software do hotels, resorts, and various transportation entities use to expedite the reservation process for customers?
- A. Customer relationship management
 - B. Customer reservation systems
 - C. Online booking
 - D. Websites
49. Which of the following is useful marketing information that a business might obtain by analyzing a customer database:
- A. Total sales for each month of the previous year
 - B. The expense involved in developing a customer database
 - C. Federal identification numbers for current and past customers
 - D. The average customer is married, owns a home, and earns \$50,000 a year.
50. Which of the following is a benefit that comes from tracking analytics:
- A. Saving money on web hosting costs
 - B. Preventing page bounces
 - C. Discovering new sales tactics
 - D. Measuring the success of marketing campaigns
51. The Demarco Hotel employed data mining techniques to analyze its clients' online search activity. It discovered that customers that visit antique shops also commonly tour art and history museums. What type of data mining tool did the hotel use?
- A. Cluster detection
 - B. Anomaly detection
 - C. Association learning
 - D. Big data collection

52. A cafe owner has noticed many consumers prefer strongly caffeinated tea products. They decide to offer teas and lattes made with strongly caffeinated matcha green tea. The owner is responding to
- A. a trend.
 - B. the business cycle.
 - C. competition.
 - D. a government regulation.
53. Esteban greets guests by name, makes eye contact, and smiles warmly as they pass. Esteban is demonstrating service that is
- A. customer-focused.
 - B. inconsistent.
 - C. distant.
 - D. accurate.
54. The manager of an event center wants to know which of the three ballrooms guests prefer. Which of the following research methods would be most effective:
- A. Reviewing customer records
 - B. Performing competitive analysis
 - C. Hosting a focus group
 - D. Tracking customer expenses
55. If a company wants to promote specific products to previous customers, what would be the best way for it to obtain the necessary data for a mailing list?
- A. By reviewing its marketing research plans
 - B. By purchasing information from competitors
 - C. By purchasing data from outside researchers
 - D. By searching its own customer database
56. One of the advantages of using statistics is that individual employees' biases can't impact decision-making. That is because statistics are
- A. affordable.
 - B. objective.
 - C. accurate.
 - D. persuasive.
57. What trend has resulted from the desire of the hospitality and tourism industry to gain a competitive advantage by exceeding customer expectations?
- A. Increased emphasis on customer safety
 - B. Increased attention to legal issues
 - C. Increased emphasis on training
 - D. Increased attention to sustainable resources
58. How does offering personalized services usually impact a hotel's data management needs?
- A. The hotel has to use a cloud-based management system.
 - B. Personal information needs to be kept less secure.
 - C. The hotel spends more time monitoring its online reputation.
 - D. More data need to be captured and managed.
59. Which of the following is unethical behavior in the operations function of business:
- A. Developing scorecards to evaluate suppliers' performance levels
 - B. Using negotiating techniques to encourage a vendor to make concessions
 - C. Sharing a vendor's competitive bid information with another supplier
 - D. Setting deadlines for vendors to submit their bids
60. Which of the following activities falls under the function of distribution:
- A. Cullen brainstorms and selects new product ideas.
 - B. DJ monitors whether each product is meeting quality standards.
 - C. Maryam calls each member of the sales team to hear how they're doing.
 - D. Sarah hires a shipping service to get products to a retailer.
61. If a business doesn't comply with health and safety regulations, it will most likely
- A. gain a better reputation among the public.
 - B. get a citation and possibly pay a fine.
 - C. go bankrupt.
 - D. have happier employees.
62. Ruined reputation, lost revenue, and data leaks are all possible consequences of a(n)
- A. information security breach.
 - B. employee promotion.
 - C. countrywide product recall.
 - D. sexual assault scandal.

63. The types of emergency evacuation procedures that a business implements are dependent upon
- A. the business's goals.
 - B. the organizational design.
 - C. the business's financial standing.
 - D. the business setting.
64. To help identify the resources needed for a project, project managers often develop
- A. schedules.
 - B. checklists.
 - C. timelines.
 - D. summaries.
65. The PVX automotive manufacturer keeps office supplies such as copy paper, pens, and notepads on hand at all times. These office supplies are part of the manufacturer's inventory of
- A. MRO goods.
 - B. raw materials.
 - C. work-in-process.
 - D. finished products.
66. Filipe is a chef at a restaurant. He always starts with his resources, such as raw vegetables and meats, and then turns them into a fully cooked meal. When Filipe turns his ingredients into a complete meal, he's taking part in
- A. dispatching.
 - B. the conversion process.
 - C. mass production.
 - D. resource transformation.
67. A hotel restaurant manager was reviewing an invoice from a food supplier and noticed that the hotel was charged for two cases of ketchup that the restaurant did not order or receive. In this situation, the invoice helped the manager identify a(n)
- A. billing error.
 - B. incorrect discount rate.
 - C. duplicate order.
 - D. product quality issue.
68. Think about the last time you ate an apple. That apple passed through several hands before it reached your lunch bag. First, the apple was grown by a farmer, who sold it to a wholesaler or distributor, who then sold it to a retail store. Finally, the apple was bought by you or your parents—the final consumers. The apple's journey from farm to table is an example of
- A. supply chain.
 - B. deflation.
 - C. manufacturing.
 - D. marketing.
69. Why is it important for companies to make inventories of their digital information?
- A. To prevent unethical IT professionals from stealing company data
 - B. Because most employees don't use their computers wisely
 - C. So that the information is readily accessible when it is needed
 - D. So that the company can keep tabs on what employees are doing online
70. In 2018, the Thai government had to close its famous beach, Maya Bay, due to coral destruction from thousands of visiting tourists. This example illustrates an issue related to
- A. customer expectations.
 - B. environmental sustainability.
 - C. skilled labor shortages.
 - D. technological changes.
71. Which of the following security measures is often found in lodging establishments:
- A. Metal detectors
 - B. Radio frequency tags
 - C. Electronic key cards
 - D. Property management system
72. Throwing out junk mail and unnecessary documents on a regular basis will help you
- A. maintain an organized workspace.
 - B. ensure that you meet your deadlines.
 - C. delegate your workload.
 - D. prioritize routine work activities.
73. What is a common activity that takes place during the "determining possible solutions" stage of the problem-solving process?
- A. Detecting issues
 - B. Collecting relevant data
 - C. Brainstorming ideas
 - D. Checking assumptions

74. In many countries, employees have the right to join organizations that act on their behalf for good working conditions, benefits, and other job-related perks. In other words, workers have the right to
- A. unlimited vacation days.
 - B. expect criticism.
 - C. demand recognition.
 - D. form labor unions.
75. Which of the following job titles is considered a travel and tourism career:
- A. Director of recreation and parks
 - B. Director of convention and visitors bureau
 - C. Concession manager
 - D. Museum conservator
76. Ivana, a marketing major, earned college credit by working 10 hours a week for a semester at an advertising agency. Ivana was not paid, but she did gain valuable on-the-job work experience. Ivana completed a(n)
- A. needs analysis.
 - B. trade mission.
 - C. internship.
 - D. understudy.
77. Following the chain of command is important to the overall business because it
- A. increases efficiency.
 - B. improves collaboration.
 - C. facilitates teamwork.
 - D. enhances creativity.
78. The rise of user-friendly travel booking websites such as Expedia has contributed to the declining popularity of
- A. rental car programs and services.
 - B. cheap and discount cruise vacations.
 - C. all-inclusive travel packages.
 - D. brick-and-mortar travel agencies.
79. A significant cause of variability in a hotel's service is
- A. standardized check-in procedures.
 - B. perishability of unsold rooms.
 - C. differences in staff members' abilities.
 - D. customer satisfaction surveys.
80. Full-service hotels that provide upscale services and amenities usually charge high rates because their guests associate price with
- A. economy.
 - B. quality.
 - C. supply.
 - D. value.
81. Product/Service management is a marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to
- A. market opportunities.
 - B. competitors only.
 - C. government oversight.
 - D. CEO wishes.
82. A fast-food restaurant decides to add a new line of salads to its menu. The company is using a(n) _____ product-mix strategy.
- A. trading-up
 - B. contraction
 - C. expansion
 - D. trading-down
83. Hotels offering guests a weekend package that includes accommodations, meals, and a sightseeing trip is an example of
- A. target advertising.
 - B. price positioning.
 - C. individual selling.
 - D. product bundling.
84. An all-inclusive resort hotel is about to open in a newly developed part of Jamaica. It will be the tallest building on the island. Its target market is 35- to 55-year-olds. The resort is right on the water and positioned so that guests have an unimpeded view of the sunset. A number of fast-food restaurants have also opened in the area. The resort is moderately priced. What would you suggest as the hotel's competitive advantage?
- A. Location on the water
 - B. Easy access to fast-food restaurants
 - C. The hotel's moderate pricing
 - D. The hotel's target market

85. Passengers who travel on Smooth-Sailing Cruise Lines have opportunities to attend stand-up comedy performances, musical concerts, and theater shows while onboard the ship. The cruise line is offering services that provide
- A. entertainment value.
 - B. action-adventure experiences.
 - C. educational opportunities.
 - D. team-oriented activities.
86. Which of the following is a characteristic of product extensions in the hospitality and tourism industry:
- A. Expensive addition to a trip
 - B. Necessary part of the hospitality and tourism experience
 - C. Related to the original product
 - D. Sold only to generate income
87. Which of the following should be adjusted as demand for a product changes:
- A. Assortment
 - B. Management
 - C. Promotion
 - D. Expansion
88. A pizza place advertises its organic toppings and extended delivery range. This is an example of what type of institutional promotion?
- A. Primary
 - B. Public relations
 - C. Public service
 - D. Patronage
89. When evaluating the quality of its product, one factor that a business considers is the feedback that it receives from the product's users. This factor indicates
- A. customer satisfaction levels.
 - B. the product's durability.
 - C. the efficiency of the production process.
 - D. employee performance ratings.
90. What type of control is typically used to help company executives understand the impact of external risks on the organization and its long-range plans?
- A. Strategic
 - B. Management
 - C. Process
 - D. Variable
91. When Marcella participates in an industry trade show to find new customers, she's obtaining
- A. company leads.
 - B. external sources.
 - C. personal sources.
 - D. referrals.
92. What type of product information might a salesperson obtain from reading a business's promotional materials?
- A. Aptitudes
 - B. Demographics
 - C. Objectives
 - D. Characteristics
93. Which of the following is part of establishing relationships with customers:
- A. Acknowledge their individuality
 - B. Probing
 - C. Reaching closure
 - D. Using suggestion selling
94. While taking a hotel reservation, Roxanne said, "Mrs. Whitaker, instead of the standard king room that you have requested, I do have a one-bedroom suite with an oceanfront view available for an additional \$15 a night." In what activity is Roxanne engaging?
- A. Upselling
 - B. Product bundling
 - C. Prospecting
 - D. In-depth questioning
95. To celebrate their 10th wedding anniversary in February, a husband and wife are planning a trip to a tropical island so that they can relax and get away from the hassles of everyday life. What motives are they satisfying?
- A. Self-esteem
 - B. Self-actualization
 - C. Physiological
 - D. Safety and security

96. Because Julia enjoys learning about history, she typically likes to vacation at destinations that have museums and famous landmarks. A primary factor that impacts Julia's travel is her desire for
- A. education.
 - B. relaxation.
 - C. health and fitness.
 - D. live entertainment.
97. When processing a hotel reservation by phone, it is most important to obtain information about the guest's
- A. transportation arrangements.
 - B. dietary requirements.
 - C. seating preferences.
 - D. arrival and departure dates.
98. What is a question that a manager might ask when evaluating the effectiveness of organizing processes?
- A. Should the company be restructured?
 - B. Why are sales decreasing?
 - C. Whom should we hire?
 - D. What should next quarter's goals be?
99. Rita enjoys routine, so her manager gives her the same tasks every week. Therefore, Rita is satisfied with her job and wants to perform at a high level. Rita's manager is motivating her based on
- A. her need to please others.
 - B. monetary reward.
 - C. her need for stability.
 - D. fear of failure.
100. To manage potential business losses, the first step a company should take is to
- A. identify its risks.
 - B. purchase liability insurance.
 - C. determine the probability of losses.
 - D. respond to risks.



KEY

Test Number 1246

Hospitality and Tourism Cluster Exam

HLM - Hotel and Lodging Management Series Event

HTDM - Hospitality Services Team Decision Making Event

HTPS - Hospitality and Tourism Professional Selling Event

QSRM - Quick Serve Restaurant Management Series Event

RFSM - Restaurant and Food Service Management Series Event

TTDM - Travel and Tourism Team Decision Making Event

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1. C

Intentional. Torts are civil wrongs that do not arise from contracts and that affect particular people or businesses. There are three types of torts: intentional, negligent, and strict liability. Intentional torts are voluntary acts of harm against a protected interest. For a tort to be intentional, the intent to harm must be proven. In this case, the restaurant intended to harm its competitor by making false claims about its hygiene standards. Negligent torts occur when harm is caused accidentally due to carelessness. Strict liability torts occur when someone is responsible for harm without proof of carelessness. Criminal acts are public wrongs that harm society as a whole, rather than causing harm to particular people or businesses, as is the case with torts.

SOURCE: BL:069 Identify the basic torts relating to business enterprises

SOURCE: Laws.com (2020, September 12). *A brief overview of tort law*. Retrieved August 12, 2021, from <https://tort.laws.com/tort-law>

2. A

The SkyHigh Airline. When David checked his luggage with the SkyHigh airline attendant before boarding the airplane, the airline accepted responsibility for the safety of his belongings. Therefore, the airline is liable for David's loss. Typically, passengers must file claims with the airlines to obtain compensation for their losses. Under most circumstances, employers (SkyHigh Airline) are responsible for their employees' actions, and by law, they are liable for their employees' on-the-job conduct. In addition, there is not enough information provided to determine if the attendant was actually responsible for the loss. The airports are not liable for the airlines' losses.

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

SOURCE: U.S. Department of Transportation. (2019, October 4). *Fly rights: A consumer guide to air travel*. Retrieved August 12, 2021, from <https://www.transportation.gov/airconsumer/fly-rights>

3. C

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

SOURCE: BL:126 Describe the nature of customs regulations

SOURCE: U.S. Customs and Border Protection. (2021, January 27). *Customs duty information*. Retrieved August 12, 2021, from <https://www.cbp.gov/travel/international-visitors/kbyg/customs-duty-info>

4. A

Listening carefully to the whole question. Before answering a customer's question, it's important to listen to the whole question. This makes you less likely to get confused or give the customer a wrong answer. After you listen to the whole question, you may ask another coworker for help or ask the customer clarifying questions to get more detail about what they are asking. You should avoid giving the customer too much information when answering, but that comes after listening to the whole question.

SOURCE: CO:060 Provide legitimate responses to inquiries

SOURCE: Universal Class. (1999-2021). *Customer service help: Learning how to listen*. Retrieved August 12, 2021, from <https://www.universalclass.com/articles/business/customer-care-learning-how-to-listen.htm>

5. C

Remain patient. It may take some time and work to convince your coworkers that your idea is the best option, so it's important to remain patient. Becoming defensive and rejecting feedback will not help you be objective. Even though you don't want to become defensive, you also shouldn't go to the other extreme and accept defeat when people disagree with you.

SOURCE: CO:061 Defend ideas objectively

SOURCE: Haddock, P. (2020). *Defend your ideas without becoming defensive*. Retrieved August 12, 2021, from <https://gohighbrow.com/defend-your-ideas-without-becoming-defensive/>

6. C

Look around the room, making eye contact with the audience. To establish a connection with audience members and make them feel as if you are talking directly to them, you should make eye contact with individuals around the room. Although you should know who the important decision makers are in the room, only looking at one person will make that person uncomfortable and alienate the rest of the audience. Looking at your notes or the PowerPoint (and as a result not making eye contact with the audience) sends a nonverbal message that you are nervous or lack confidence in what you are saying.

SOURCE: CO:025 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

7. B

Chronologically. Chronological order is a way of organizing that puts information in sequence according to time. When Hazel organizes her company's invoices from the earliest date to the most recent, she is organizing them chronologically. The invoices are not organized by order of importance or geographically. Deductive organizing begins with a general recommendation or statement, then includes information that backs it up.

SOURCE: CO:086 Organize information

SOURCE: Burke, A. (2019, March 7). *Examples of methods of organization*. Retrieved August 12, 2021, from <https://smallbusiness.chron.com/examples-methods-organization-18982.html>

8. D

Weekly status report. Simple reports are typically short and provide basic information. A weekly status report that provides details about work completed on a project is an example of a simple report. A marketing plan, which is a blueprint of a business's marketing activities, is a longer, more complex document. An instruction manual and a customer survey are not types of reports.

SOURCE: CO:094 Prepare simple written reports

SOURCE: Jakub. (n.d.). *Weekly status reports - What's the purpose?* Retrieved August 12, 2021, from <https://blog.weekdone.com/purpose-of-weekly-status-reports/>

9. A

Delivering consistent service. Since employees use a variety of different methods to introduce new products to customers, they are not delivering consistent service. Different customers develop very different opinions of those products, depending on which employees help them. There's no indication that the company's employees come from a diverse background, have special needs, or are not provided with career advancement opportunities.

SOURCE: CR:043 Describe customer-service challenges in the hospitality and tourism industry

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 44-45]. Tinley Park, IL: Goodheart-Willcox.

10. B

Understand what guests truly want. In the hospitality and tourism industry, understanding what is truly driving customers' complaints is essential. When you understand what guests want, you can easily fulfill their needs and resolve conflict. Being aware of common triggers of conflict can help prevent conflict rather than resolve it. Hospitality and tourism employees should maintain a positive attitude rather than an authoritative attitude. Finally, hospitality and tourism employees do not necessarily need to escalate conflict to upper management.

SOURCE: CR:044 Resolve hospitality and tourism related conflicts for customers

SOURCE: Friedlander, R.J. (2015, June 24). *6 guidelines for managing guest conflict and preventing bad online reviews*. Retrieved August 13, 2021, from <https://www.hospitalitynet.org/opinion/4070802.html>

11. A

Delivering on the company's brand promise. A brand promise is a business's agreement (spoken or unspoken) with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. By delivering on their company's brand promise, employees can reinforce the company's positive image among customers. These employees become brand ambassadors, communicating the company's vision, mission, and brand through their actions and words, both on the job and off. Developing a broad product/service mix does not necessarily reinforce the company's positive image. Betraying a company by sharing its intellectual property with competitors does nothing to reinforce the company's positive image. Prestige pricing and price skimming do not reinforce a company's positive image in every case.

SOURCE: CR:002 Determine ways of reinforcing the company's image through employee performance

SOURCE: Raghavan, D. (2019, July 17). *How to engage your employees to deliver your brand promise?* Retrieved August 12, 2021, from <https://thriveglobal.com/stories/how-to-engage-your-employees-to-deliver-your-brand-promise/>

12. B

Return customers. When customers spend money on food, lodging, and travel, they expect an all-around positive customer experience. Poor service is one of the most common reasons that an individual does not return to a hospitality/tourism business. Return customers provide a significant amount of revenue for a hospitality business, so it is important to exceed customer expectations when it comes to service. The success of a hospitality/tourism business does not necessarily rely on high-end products, smart sales strategies, or networking efforts.

SOURCE: CR:049 Explain the nature of customer service in the hospitality and tourism industry

SOURCE: Reynolds, J.S., & Chase, D. (2014). *Hospitality services* (3rd ed.) [p. 22]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.

13. A

Review customer comments in the hotel database. Secondary research examines information that was previously collected for other purposes. Reviewing customer comments stored in a database is an example of secondary research since the data were previously collected. Creating a survey, interviewing staff members, and observing guests are primary research activities since they are designed to collect information specific to the research goal.

SOURCE: NF:281 Explain sources of secondary hospitality and tourism information

SOURCE: Destination BC. (2015, March). *Research guide for tourism operators*. Retrieved August 13, 2021, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>

14. B

The customer will generate word-of-mouth influence. When customers request special treatment, honoring their requests will create an exceptional experience for them. They will be much more likely to provide positive word-of-mouth feedback to other potential customers. It is not likely that other customers will feel that they are not being treated fairly, that the customer will become even more demanding, or that the company will be perceived as inadequate.

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

SOURCE: O'Neill, T. (2019, September 25). *What going "above and beyond" for the customer really means*. Retrieved August 13, 2021, from <https://blog.fctgcareers.com/blog/what-going-above-and-beyond-for-the-customer-really-means>

15. A

The business itself. The main difference between CRM and CEM is that CRM focuses on the business itself—its goals, its strategies, its internal processes, etc. CEM, on the other hand, looks outward. Its focus is on customer needs and wants (also known as a customer-centric focus). Neither CRM nor CEM focus on product development or investors.

SOURCE: CR:016 Discuss the nature of customer relationship management

SOURCE: LAP-CR-016—Know When To Hold 'Em (Nature of Customer Relationship Management)

16. D

Increased staffing for peaks in demand. Employee turnover can become a problem during peaks in demand, when employees (such as the manager in this example) become overworked and stressed. This issue could have been avoided by increasing staffing to meet demand. Hiring a more responsible manager might not necessarily help, because there still might not be enough staff to handle the demands of the busiest seasons. Convincing the manager to stay would also not help with the excessive demand unless other staff members were hired to help as well. Closing down the resort during peaks in demand is not a good idea; the resort would lose revenue and would likely struggle to stay in business.

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

SOURCE: RoomkeyPMS. (2016, October 4). *Staffing strategies for peak and off-seasons*. Retrieved August 13, 2021, from <https://roomkeypms.com/blog/staffing-strategies-peak-off-seasons>

17. C

Distribution. This economic activity examines how the money payments received by resource owners and producers are divided or distributed. Resource owners must feel that the incomes they receive are large enough so that they will continue to be willing to supply resources. Producers must receive enough income so that they are able to continue making or providing goods and services. Consumption is the process or activity of using goods and services. Production is the making of goods and services.

Exchange involves the trade of money payments between producers and the owners of resources.

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

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

18. C

A working business model is already available. Franchising occurs when a business owner purchases another organization's business strategy, brand, and product. This model is beneficial because the franchisor is generally already successful and has a working business model in place. A franchisee does not have to start from scratch. Franchisors do not have to pay annual royalties; rather, the franchisee has to pay royalties, and this is not necessarily a benefit. Franchises do not necessarily make large profits through added value, and they also do not necessarily have substantial purchasing power.

SOURCE: EC:138 Describe types of business models

SOURCE: Franchise Direct. (1998-2021). *The benefits of franchising: What are the advantages to being a franchisee?* Retrieved August 12, 2021, from <https://www.franchisedirect.com/ultimate-guide-to-franchising/benefits-of-franchising/>

19. C

Organizational learning. Organizational learning is a strategy that seeks to strengthen an organization by bringing employees together as well as by empowering them as individuals. It includes concepts such as systems thinking, team learning, shared organizational vision, mental modeling, and personal mastery.

Marketing orientation is a strong focus on meeting customer needs and wants. Slack resources are resources that go above and beyond what is needed to operate an organization. Competitive aggression is a drive to win scarce customer dollars in the marketplace.

SOURCE: EC:107 Explain how organizations adapt to today's markets

SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)

20. A

People are interdependent. People in all economic systems are interdependent. In other words, they must depend on each other to obtain the things they need. The economic system provides a way for this to happen. For example, people work to produce goods and services for others but also earn incomes that they use to buy goods and services that they cannot make for themselves. Many resources are limited rather than unlimited. Some governments are unstable, but many are stable. The cost of products ranges from inexpensive to expensive. These factors are not the reasons that economic systems are needed.

SOURCE: EC:007 Explain the types of economic systems

SOURCE: LAP-EC-017—Who's the Boss? (Economic Systems)

21. A

Unemployment rates decline. When unemployment rates decline, there are more people working and earning an income. When people have available income, their spending tends to increase. When business production slows, businesses produce fewer goods and services. A decline in production often leads to facility closings and employee layoffs. When people are unemployed, they are not earning an income, so consumer spending tends to decrease. When business activities decline over several months, it typically indicates the beginning of an economic recession. During economic recessions, people tend to cut back and save their money rather than spend it. When interest rates increase rapidly, it becomes more expensive to obtain loans to buy expensive items such as cars and homes, which can reduce consumer spending.

SOURCE: EC:081 Discuss the measure of consumer spending as an economic indicator

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 138]. Tinley Park, IL: The Goodheart-Willcox Co.

22. D

Cara is a small-business owner. A small-business owner is an individual who owns a business venture to generate income without intentions of growing or expanding the business. Because Cara purchased the coffee shop from someone else, and she has no desire to expand the business, she is a small-business owner. An entrepreneur is an individual who invents, develops, and distributes a good or provides a service, and assumes the risks and rewards of starting and building the business. A franchisor is a parent company and owner of the name and/or system that is being distributed through a licensing arrangement. Wholesalers are intermediaries who help move goods between producers and retailers by buying goods from producers and selling them to retailers.

SOURCE: EC:065 Identify the impact of small business/entrepreneurship on market economies

SOURCE: Seth, S. (2021, July 20). *Entrepreneurs and entrepreneurship defined*. Retrieved August 12, 2021, from <https://www.investopedia.com/articles/investing/092514/entrepreneur-vs-small-business-owner-defined.asp>

23. D

More satisfied. Making a decision when facing an ethical dilemma—even if it's tough—will make you happier, more satisfied, and less conflicted. Even if your ultimate decision when facing an ethical dilemma is to do nothing, it's still important to make the decision instead of allowing the ethical dilemma to control your life. Making a decision is not likely to make you feel unhappy, anxious, or less content.

SOURCE: EI:125 Recognize and respond to ethical dilemmas

SOURCE: LAP-EI-125—Make the Right Choice (Recognizing and Responding to Ethical Dilemmas)

24. A

Estimate the time that it takes them to perform their tasks. When businesspeople estimate the time that it takes to perform their tasks, it helps them plan, prioritize, and manage their workloads effectively. Planning their work helps businesspeople avoid scheduling activities too close together, which can affect the quality of their work. For example, if it takes a businessperson one hour to prepare a status report that is due at 4:00 p.m., they should not start the report at 3:30 p.m. Because coworkers have their own work commitments, they should only help in emergencies with management's approval. Pleasant tasks are not always priorities for businesspeople. Taking shortcuts and performing work too quickly often result in errors and low-quality work.

SOURCE: EI:077 Manage commitments in a timely manner

SOURCE: Corporate Finance Institute. (2015-2021). *A brief guide to time management*. Retrieved August 12, 2021, from <https://corporatefinanceinstitute.com/resources/careers/soft-skills/time-management-list-tips/>

25. A

Positive people are pleasant and smiling. When Sandy looks people in the eye and says hello to them, she is displaying the positive characteristic of being pleasant and smiling. Positive people are also responsible, flexible, and uncomplaining, but Sandy's behavior does not illustrate these qualities.

SOURCE: EI:019 Exhibit a positive attitude

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

26. B
Understanding. Being an understanding person is necessary for empathy. You don't need to share the same experiences that someone else has had, but you do need to understand where they are "coming from." Honesty is truthfulness. Open-mindedness is keeping your mind open to new thoughts, ideas, and approaches.
SOURCE: EI:030 Show empathy for others
SOURCE: LAP-EI-030—Have a Heart (Showing Empathy for Others)
27. C
Ask each staff member to bring two suggestions for service improvements to the meeting. Asking the staff to prepare suggestions ahead of time gives reserved staff members time to think about their responses and gives outspoken staff members time to develop more thoughtful suggestions. Asking probing questions about the current quality of service may come across as a form of evaluation rather than an opportunity to share new ideas. If the owner shares his expectations and goals, staff members would be less inclined to share their own ideas. An open discussion might be avoided by reserved staff members or dominated by outspoken staff members.
SOURCE: EI:104 Leverage personality types in business situations
SOURCE: KnowledgeCity. (2018, December 4). *Know your team: Leveraging employee personality types*. Retrieved August 12, 2021, from <https://www.knowledgocity.com/blog/leveraging-personality-types/>
28. B
Emphasize his communication skills on his résumé. Employers from many different fields consider good communication skills to be a highly desirable trait for employees. Emphasizing his communication skills on his résumé would likely increase Michael's chances of receiving an interview. Michael should not send the hiring manager a weekly letter of interest—doing so would be excessive and would likely reduce his chances of getting an interview. There is also no need for him to provide the employer with his most recent credit report. Unless he knows one of them personally, it would be inappropriate to ask current employees to vouch for his abilities.
SOURCE: EI:007 Explain the nature of effective communications
SOURCE: LAP-EI-140—More Than Just Talk (Effective Communication)
29. B
Cross-functional. A cross-functional team is a team that includes team members from different areas of specialization who work together to complete a task. Zachary's team includes many different departments, so it is a cross-functional team. There is no indication that Zachary's team is a standing committee, a self-directed team, or a quality circle.
SOURCE: EI:045 Participate as a team member
SOURCE: LAP-EI-045—Team Up (Participating as a Team Member)
30. C
Appropriate use of resources. Using your employer's resources appropriately is an example of an ethical dilemma that could take place in the workplace. Academic dishonesty is an ethical issue, but it does not typically take place in the workplace. Using vacation time and befriending coworkers are not necessarily ethical workplace dilemmas.
SOURCE: EI:131 Explain the nature of ethical leadership
SOURCE: LAP-EI-131—Be the Change (Nature of Ethical Leadership)
31. C
The status quo. When something is the current or existing way of completing a task, it is usually referred to as the status quo. Status quo bias is a preference to maintain the status quo and the view that a change from it is a loss. Herd mentality refers to a mob mentality that causes people to be influenced by others or to adopt certain behaviors. Just because something is the current or existing way of completing a task does not necessarily mean it is effective.
SOURCE: EI:134 Challenge the status quo
SOURCE: LAP-EI-134—Unfollow the Crowd (Challenging the Status Quo)

32. C

Copyright infringement. Copyright, patent, and trademark infringement are violations of the rights of a person who owns a copyright, patent, or trademark. To put it simply, committing this type of infringement means stealing someone else's idea or work and passing it off as your own—and it's not just unethical, it's illegal. Stealing an idea and claiming it as your own is not generally called business negligence, ethical accountability, or trademark awareness.

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

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

33. C

Consumer protections. Credit cards offer protections such as zero liability and payment stops that you can use without losing your funds. Interest payments are a disadvantage of credit cards. Credit cards have a higher risk of debt than debit cards. Finally, convenience is a benefit of both credit cards and debit cards.

SOURCE: FI:058 Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.)

SOURCE: Sandberg, E. (2019, April 26). *Are credit cards safer than debit cards?* Retrieved August 12, 2021, from <https://www.experian.com/blogs/ask-experian/are-credit-cards-safer-than-debit-cards/>

34. B

Fixed expenses. Fixed expenses are expenses or costs that do not fluctuate from month to month, such as rent or fixed-rate mortgage payments, car payments, and student loan payments. Variable expenses, on the other hand, may fluctuate from month to month—or even from week to week, such as grocery costs. The same concept applies to fixed income and variable income.

SOURCE: FI:066 Develop personal budget

SOURCE: Pant, P. (2020, May 4). *What's the difference between fixed and variable expenses.* Retrieved August 12, 2021, from <https://www.thebalance.com/what-s-the-difference-between-fixed-and-variable-expenses-453774>

35. A

Incur fees and penalties. If you are not aware of the deposits and purchases in your checking account, you might incur fees and penalties for overdrawing your account or having a check bounce. Not keeping up with your checking account balance will not necessarily lead to having your identity stolen. You will not prevent fraudulent charges or challenge the bank's authority by not keeping up with the balance of your checking account.

SOURCE: FI:069 Maintain financial records

SOURCE: Klein, A. (2021, August 12). *Tips to keep your checking account balanced.* Retrieved August 12, 2021, from <https://www.tropicalfcu.com/blog/tips-to-keep-your-checking-account-balanced>

36. A

Transaction fees. Reconciling bank statements involves comparing the entries in a checkbook or other personal records with the entries listed on the bank statement. It is important to make these comparisons to determine inconsistencies and mistakes. If a check is not recorded correctly, and if the mistake is not caught, the individual runs the risk of having insufficient funds in their checking account, which results in bounced checks. Some financial institutions charge transaction fees for checking accounts, so it is important to make sure that those fees are subtracted from the checking account balance. Accumulated interest and payroll deposits are added to the checking account balance rather than subtracted from it. Check numbers are not subtracted from the checkbook when reconciling bank statements and personal record balances.

SOURCE: FI:070 Read and reconcile bank statements

SOURCE: Birken, E.G. (2020, July 12). *How to balance a checkbook in a paperless world.* Retrieved August 12, 2021, from <https://www.forbes.com/advisor/banking/how-to-balance-a-checkbook/>

37. C

Under stockholders' equity. Retained earnings are represented under stockholders' equity because they are monies reinvested back into the business by the stockholder(s). Assets are considered resources owned by the company, not monies invested or reinvested into the business. Contributed capital refers to monies invested into the company by the owner or other investors, rather than profits or earnings that are reinvested into the company. Revenue refers to earnings from the sales of goods or services and is dealt with on income statements, not balance sheets.

SOURCE: FI:093 Explain the nature of balance sheets

SOURCE: Bienias, C., Gilbertson, C.B., Lehman, M.W., & Gentene, D. (2019). *Century 21 accounting: Multicolumn journal* (11th ed.) [Lesson 16-3]. Boston, MA: Cengage Learning, Inc.

38. A

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

SOURCE: FI:113 Explain cash control procedures (e.g., signature cards, deposit slips, internal/external controls, cash clearing, etc.)

SOURCE: Chron Contributor. (2021, April 8). *Internal control procedures for the receipt of cash*. Retrieved August 13, 2021, from <https://work.chron.com/internal-control-procedures-receipt-cash-6735.html>

39. B

Pressure employees to conform under questionable circumstances. Groupthink is a psychological phenomenon that evolves when conformity and the cohesiveness of the group become more important than the group's objective, purpose, or problem. As a result, group members often feel pressured to conform and behave in ways that they normally would not. Members learn to not "rock the boat" by sacrificing their individuality, opinions, and personal ethics so they are not ostracized from the group. In its extreme form, groupthink practices may result in unethical practices such as covering up financial mistakes, using company money inappropriately or carelessly, lying to the business's shareholders about the financial health of the company, embezzling activities, etc.

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

SOURCE: Sorscher, S. (2017, December 6). *Group-think caused the market to fail*. Retrieved August 12, 2021, from https://www.huffingtonpost.com/stan-sorscher/group-think-caused-the-ma_b_604810.html

40. C

A hold is placed on a portion of the card's available credit line when the guest checks in. An authorization check is made when the guest arrives to ensure that there are sufficient funds available on the card to cover all lodging expenses related to the reservation. A credit card is not actually charged until a guest checks out to ensure that the guest's appropriate room rate is charged as well as any other hotel charges the guest made during their stay.

SOURCE: FI:789 Discuss considerations in accepting credit-card payments

SOURCE: UniBul's Money Blog. (2021). *How to process credit card payments at hotels*. Retrieved August 13, 2021, from <http://blog.unibulmerchantservices.com/how-to-process-credit-card-payments-at-hotels/>

41. B

Exit. Exit interviews aim to gauge employee attitudes about a company, gain constructive suggestions for improvement, and gather further understanding about employee turnover. Onboarding activities are done shortly after the employee is hired and include employee orientation. Recruiting is the part of staffing that involves seeking out and attracting qualified potential employees.

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

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

42. B

To promote diversity. Companies that have firm policies to deal with discriminatory behavior are more effective at promoting (not reducing) diversity. While policies concerning discriminatory behavior can indirectly reduce workplace violence, those policies are not likely to eliminate workplace violence completely. Company management can model positive attitudes and demonstrate the importance of diversity, but it is not always possible to change or eliminate discriminatory attitudes among employees.

SOURCE: HR:515 Discuss issues associated with workplace diversity (e.g., ethnic, generational, religious, gender)

SOURCE: Renee, M. (2019, March 6). *Top 10 diversity issues at work*. Retrieved on August 13, 2021, from <https://smallbusiness.chron.com/top-10-diversity-issues-work-24939.html>

43. C

Actions. Positive and negative results can often be directly related to a company's actions. Every action contributes to a result or results, good or bad. Although certain results might also occur due to issues with a business's taxes, name, or location, its actions are most directly related to results.

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)

44. B

Segment marketing. When a business focuses on a specific group of people such as brides, it is using segment marketing. Mass marketing is the marketing of products to a large group of people.

Demographic segmentation divides a market based on general physical and social characteristics (e.g., age, gender, religion), not on a specific life event. Loyalty response refers to a consumer's preference for a particular brand.

SOURCE: MP:003 Explain the concept of market and market identification

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

45. D

A customer's payment history. Companies can be held liable for revealing customers' nonpublic personal information (NPI) because it invades the customers' privacy and can expose them to financial harm. NPI is any personally identifiable information that an organization collects in connection with providing a financial product or service unless that information is publicly available. Examples of NPI include information about a customer's business with an organization, account numbers, payment history, loan or deposit balances, and credit or debit purchases. Bankruptcies, published phone numbers, and home ownership are all examples of published information that is easily accessed through regional, state/province, national, and court databases and records.

SOURCE: NF:076 Explain legal issues associated with information management

SOURCE: FTC. (n.d.). *How to comply with the privacy of consumer financial information rule of the Gramm-Leach-Bliley Act*. Retrieved August 12, 2021, from <https://www.ftc.gov/tips-advice/business-center/guidance/how-comply-privacy-consumer-financial-information-rule-gramm>.

46. D

Multiprocessing. The computer's operating system consists of the components needed to run all of the computer applications and programs. An operating system that allows several central processing units (computers) to access a single program has multiprocessing capabilities. Multithreading capabilities allow different components of one computer program to run at the same time. Augmented and hosted are not types of operating systems.

SOURCE: NF:085 Use basic operating systems

SOURCE: Beal, V. (2021, May 24). *Operating system*. Retrieved August 12, 2021, from <https://www.webopedia.com/definitions/operating-system/>

47. A

Obtain the same information from a central point of access. Groupware computer applications enable employees to access the same information from different locations. All of the information is stored and accessed from one location. The advantage to using groupware applications is that they enable each employee to have the necessary data to complete their portion of the work process or project in a timely manner. Depending on the business's needs, groupware applications may include spreadsheet functions that enable employees to develop mathematical formulas, manipulate financial data, move financial data to other groupware applications, or create budgets. Groupware applications also may contain word-processing capabilities that enable employees to save documents in a variety of versions or formats.

SOURCE: NF:011 Demonstrate collaborative/groupware applications

SOURCE: Uy, M. (2021, June 10). *What is groupware?* Retrieved August 12, 2021, from <https://www.lifewire.com/what-is-groupware-2377429>

48. C

Online booking. Many hospitality and tourism businesses offer websites that enable customers to conveniently book their reservations online. This gives customers 24-hour access to reservation systems when it's convenient for them to quickly make a reservation. Customer reservation systems are used by travel agents. Customer relationship management software is databases of customer information. Websites by themselves would not expedite the reservation process for customers.

SOURCE: NF:106 Use software to automate services

SOURCE: Baker, S. (2021). *What is online booking software? A comprehensive guide to benefits, features, pricing and more.* Retrieved August 13, 2021, from <https://financesonline.com/online-booking-software-comprehensive-guide-benefits-features-pricing/>

49. D

The average customer is married, owns a home, and earns \$50,000 a year. The purpose of analyzing a customer database is to identify specific characteristics that the business can use to market its goods and services to customers. Businesses are better able to target their market if they know what type of customer makes up the market. For example, a business probably would use different techniques to sell to customers who are married, own their own homes, and earn \$50,000 a year than to customers who are single, rent, and earn \$25,000 a year, because these types of customers have different wants and needs. Federal identification numbers are provided to businesses and do not provide useful marketing information. A customer database will not provide information about total sales for each month or the expense involved in developing the database.

SOURCE: NF:185 Use database for information analysis

SOURCE: ScienceSoft. (2021). *Customer data analytics: Core functionality, integrations, and required tools.* Retrieved August 13, 2021, from <https://www.scnsoft.com/analytics/customer>

50. D

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

SOURCE: NF:205 Use analytical tracking tools

SOURCE: The Koozai Group. (2014, March 4). *The business benefits of Google Analytics.* Retrieved August 13, 2021, from <https://www.koozai.com/blog/analytics/google-analytics-business-benefits>

51. C

Association learning. Discovering that customers who engage in one activity also engage in a similar one is an example of association learning. An anomaly identifies unusual behavior, not similar or associated behavior. Cluster detection analyzes data and defines distinct clusters or subcategories within a category. Big data collection is not a data mining tool.

SOURCE: NF:149 Describe data mining tools and techniques

SOURCE: DeepAI. (n.d.). *What is association learning?* Retrieved August 12, 2021, from <https://deepai.org/machine-learning-glossary-and-terms/association-learning>

52. A

A trend. The business owner's offering of matcha green tea drinks is a response to a consumer trend. There's no indication that the café owner is responding to competition, the business cycle, or a government regulation.

SOURCE: NF:013 Describe current business trends

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 198-199]. Tinley Park, IL: The Goodheart-Willcox Co.

53. A

Customer-focused. One important factor associated with positive customer experiences is being customer-focused. Esteban is demonstrating this factor by greeting the guests by name, making eye contact, and smiling to show he cares about treating the customers well. Esteban is not necessarily demonstrating distant, inconsistent, or accurate service in this example.

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

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 24-28]. Tinley Park, IL: The Goodheart-Willcox Company.

54. A

Reviewing customer records. Customer records contain a large amount of information that can be useful to a hospitality and tourism business. If a manager of an event center wants to know which of the ballrooms is preferred, they can review customer records to see if one of the ballrooms is requested or booked more than others. Competitive analysis will not necessarily help the manager in this situation, because they are not interested in competitors. A focus group would not necessarily be broad enough to provide the information that the manager needs. Finally, tracking customer expenses will not necessarily provide the information that the manager needs.

SOURCE: NF:283 Describe methods used to collect hospitality and tourism business information (e.g., observations, mail, telephone, Internet, discussion groups, interviews)

SOURCE: Destination BC. (2015, March). *Research guide for tourism operators*. Retrieved August 13, 2021, from <https://www.destinationbc.ca/getattachment/Research/Resources-for-Researchers/How-To-Guides/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf.aspx>

55. D

By searching its own customer database. A company's own customer database should contain the names, addresses, and previous sales histories of previous customers that can be used to create a mailing list for specific products. Competitors and outside researchers would not have access to the names and addresses of previous customers. Reviewing marketing research plans would not provide the names or addresses of previous customers.

SOURCE: NF:284 Obtain business information from customer databases

SOURCE: Davie-Martin, M. (2021, May 6). *Why building a customer database is good for business*. Retrieved August 13, 2021, from <https://www.xero.com/blog/2020/07/customer-database-good-for-business/>

56. B

Objective. Statistics are objective, which means that they are factual and not influenced by bias, prejudice, or outside opinion. When using statistics, decision-making is less likely to be biased by individual employees. While statistics can be affordable, accurate, and persuasive, those are not related to employees' biases.

SOURCE: NF:236 Explain the use of descriptive statistics in business decision making

SOURCE: Williams, J.T. (2019, February 12). *The importance of statistics in management decision making*. Retrieved August 13, 2021, from <https://smallbusiness.chron.com/importance-statistics-management-decision-making-4589.html>

57. C

Increased emphasis on training. The hospitality and tourism industry has recognized that competing on the basis of price is not the answer for profitability. Instead, management has shifted its focus to ways that employees can provide exemplary service, thus setting a business apart from its competitors. To accomplish this, management has increased its focus on employee training. Attention to the other alternatives should help businesses gain a competitive advantage; however, they do not relate to exceeding customer expectations.

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

SOURCE: Kelley, C. (2021). *Service excellence from the inside out*. Retrieved August 13, 2021, from <https://cayugahospitality.com/chuck-kelley/service-excellence-from-the-inside-out/>

58. D

More data need to be captured and managed. A hotel that offers personalized services usually generates a lot of data that need to be captured and entered into the hotel's customer management system. Hotels must maintain the security of their customers' personal information whether they provide personalized services or not. Every hotel must monitor its online reputation, but providing personalized services doesn't often require a hotel to spend more time doing so. Data can be captured and managed without a cloud-based management system.

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

SOURCE: Arlotta, C.J. (2019, August 7). *In all areas, personalization is changing the hotel experience*. Retrieved August 13, 2021, from <https://www.hotelbusiness.com/in-all-areas-personalization-is-changing-the-hotel-experience/>

59. C

Sharing a vendor's competitive bid information with another supplier. It is unfair for a business to share a vendor's bid information with another supplier because it provides one supplier with an advantage over the other. Using negotiating techniques to obtain concessions, developing scorecards to evaluate suppliers' performance levels, and setting deadlines for bids are ethical activities.

SOURCE: OP:190 Discuss the role of ethics in operations

SOURCE: LAP-OP-190—Above Board (Ethics in Operations)

60. D

Sarah hires a shipping service to get products to a retailer. Distribution is a business function that is responsible for moving, storing, locating, and/or transferring ownership of goods and services. Because Sarah is moving products to a retailer, she is participating in distribution. Monitoring quality, managing salespeople, and developing new product ideas are not activities that fall under distribution.

SOURCE: OP:522 Explain the nature and scope of distribution

SOURCE: Hayes, A. (2020, November 13). *Distribution management*. Retrieved August 13, 2021, from <https://www.investopedia.com/terms/d/distribution-management.asp>

61. B

Get a citation and possibly pay a fine. When a business doesn't comply with health and safety regulations, it will most likely be cited and charged with a fine. Noncompliance with health and safety regulations does not help a business gain a better reputation or have happier employees. Although it's possible that a large violation could cost a business a significant amount of money, most violations do not cause a company to go bankrupt.

SOURCE: OP:005 Report noncompliance with business health and safety regulations

SOURCE: United States Department of Labor. (n.d.). *OSH Act of 1970: Penalties*. Retrieved on August 12, 2021, from https://www.osha.gov/laws-regs/oshact/section_17

62. A

Information security breach. Possible negative consequences of an information security breach include a ruined company reputation, lost revenue, and data leaks. These are not likely consequences of an employee promotion or a countrywide product recall. A sexual assault scandal may cause harm to a company's reputation, but it probably wouldn't result in significant loss of revenue or data leaks.

SOURCE: OP:064 Maintain data security

SOURCE: Advanced Micro-Electronics, Inc. (2021). *Data security breach: 5 consequences for your business*. Retrieved August 16, 2021, from <https://www.theamegroup.com/security-breach/>

63. D

The business setting. When businesses are planning for evacuation during potential emergencies, they need to take the type of building into account and whether the business works with hazardous materials or processes. Some buildings are more vulnerable to the effects of natural disasters than others, and some workplaces require more complex plans if they contain hazardous materials or if employees perform dangerous tasks. The organizational design, the business's financial standing, and the business's goals should not have any effect on the emergency evacuation procedures.

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

SOURCE: Occupational Safety and Health Administration. (n.d.). *Evacuation plans and procedures eTool*. Retrieved August 13, 2021, from <https://www.osha.gov/etools/evacuation-plans-procedures/eap/develop-implement>

64. B

Checklists. Developing a checklist involves writing down all of the possible resources that might be needed for a project. Categorizing the resources (e.g., supplies, equipment, people) is a good way for project managers to organize their resource information and review and update their lists as needed. Schedules and timelines are usually developed after the resources have been identified. Summaries provide an overview of larger documents or complex content.

SOURCE: OP:003 Identify resources needed for project

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

65. A

MRO goods. MRO goods are maintenance, repair, and operating supplies such as office supplies, janitorial supplies, employee uniforms, and work gloves. While none of these supplies will be part of the company's finished products—automobiles—PVX uses these supplies on a regular basis to ensure that the manufacturing process runs smoothly. Raw materials are items in their natural state or condition, such as glass or steel. Work-in-process consists of the car parts and components that are no longer raw materials but are not completely finished yet. Finished products are completed goods that are ready to be marketed to consumers.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Murray, M. (2019, November 15). *Maintenance, repair, and operating supplies (MRO)*. Retrieved August 13, 2021, from <https://www.thebalancesmb.com/maintenance-repair-and-operating-supplies-mro-2221265>

66. B

The conversion process. During the conversion process, inputs turn into products. Any activity that takes resources and turns them into something usable is considered a conversion process. In Filipe's case, this includes cooking. He starts with resources (raw vegetables and meats) and turns them into something usable (a fully cooked meal). Dispatching involves issuing orders for production to start. Dispatches are usually written orders that tell employees what their job assignments are, when to move materials from storage to the work area, or which tools and equipment to assemble. Mass production means producing products in large quantities. Mass production typically involves assembly lines, robotics, automation, and computer-controlled equipment. This is not what Filipe's doing when he prepares one meal at a time. Resource transformation is not a term commonly used to refer to the conversion process.

SOURCE: OP:017 Explain the concept of production

SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

67. A

Billing error. An invoice is the formal, printed record of a sale that includes all necessary information of a sales transaction. The information includes the buyer, the seller, items purchased, quantities, prices, the delivery date, credit, discount terms, etc. Before paying an invoice, the hotel restaurant manager should compare it with the original purchase order and shipper's packing slip to make sure the information is accurate. In the situation described, the manager noticed that the restaurant was billed for items that it did not order or receive. In this situation, the manager should contact the vendor to get a corrected invoice before paying the bill. The hotel restaurant did not receive a duplicate order. There is not enough information provided to determine if there were problems with the discount rate or product quality.

SOURCE: OP:184 Track invoices

SOURCE: Pollick, M. (n.d.). *What is an invoice?* Retrieved August 19, 2021, from <https://www.infombloom.com/what-is-an-invoice.htm>

68. A

Supply chain. A supply chain is a complete network of producers, distributors, and retailers that work together to get a product into the hands of consumers. In this example, the apple journeyed from farmer, to distributor, to retailer, to consumer. This is an example of a supply chain in action—not deflation, manufacturing, or marketing. Deflation is a steady decline in the general price levels of consumer goods and services over a period of time. Manufacturing is the process of changing raw materials so that they will be useful to consumers. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers.

SOURCE: OP:443 Explain the concept of supply chain

SOURCE: Kenton, W. (2020 July 7). *Supply chain*. Retrieved August 12, 2021, from <https://www.investopedia.com/terms/s/supplychain.asp>

69. C

So that the information is readily accessible when it is needed. Companies should make inventories of their digital information so that it can be easily accessed when it is needed and so that no important data are lost. It is not necessarily true that employees don't use their computers wisely. Most employees use their computers appropriately and responsibly. Companies do not make inventories of their information to prevent IT professionals from stealing company data or to keep tabs on what employees are doing online.

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

SOURCE: Parrish, S. (2014, February 18). *Planning steps to protect your digital assets*. Retrieved August 13, 2021, from <https://www.forbes.com/sites/steveparrish/2014/02/18/planning-steps-to-protect-your-digital-assets/#32a3662def0c>

70. B

Environmental sustainability. Environmental sustainability is the long-term management and preservation of the world's resources. When large amounts of tourists visit environmentally and culturally unique locations, they can cause damage to the natural and cultural resources there. Leaders in the hospitality and tourism industry are therefore concerned with tourism's effect on environmental sustainability. While customer expectations, skilled labor shortages, and technological changes are issues of importance to the hospitality and tourism industry, they are not shown in this example.

SOURCE: OP:658 Identify environmental sustainability issues in hospitality and tourism

SOURCE: University of Central Florida. (2021). *Sustainability in hospitality: Why it is important and how industry leaders can help*. Retrieved August 13, 2021, from <https://www.ucf.edu/online/hospitality/news/sustainability-in-hospitality-why-it-is-important-and-how-industry-leaders-can-help/>

71. C

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

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

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [p. 242]. Tinley Park, IL: The Goodheart-Willcox Company, Inc.

72. A

Maintain an organized workspace. Throwing out junk mail and unnecessary documents on a regular basis is a technique that will reduce clutter and help you maintain an organized workspace. Although discarding unneeded paper may increase your efficiency, it does not ensure that you will meet your deadlines, set your priorities appropriately, or enable you to delegate your work to others.

SOURCE: PD:009 Demonstrate systematic behavior

SOURCE: Jarrow, C. (n.d.). *10 tips to keep your desk clean, organized & productive*. Retrieved August 12, 2021, from <https://timemanagementninja.com/2014/02/10-tips-to-keep-your-desk-clean-organized-productive>

73. C

Brainstorming ideas. Brainstorming is a common way to generate ideas and solve problems. During a brainstorming session, one or more individuals present ideas (solutions) during a set time frame. The main goal is to throw out as many ideas as possible within the set time frame but not evaluate them. Oftentimes, new ideas are generated from ones that have been presented during the brainstorming session. Detecting the issue or the problem is the first step of the problem-solving process. After detecting the problem, it is important to check assumptions and collect data relevant to the problem. After determining possible solutions, individuals select, implement, and evaluate the solution.

SOURCE: PD:077 Demonstrate problem-solving skills

SOURCE: LAP-PD-077—No Problem (Demonstrating Problem-Solving Skills)

74. D

Form labor unions. A labor union is a group of workers who join together to improve the terms and conditions under which employees work. In the United States, employees have the right to form labor unions and engage in collective bargaining—the negotiating process in which union leaders and company representatives engage to determine the terms and working conditions that are to be provided to employees. Employees also have the right to expect criticism and recognition at work, but this example does not demonstrate either criticism or recognition. Employees do not have the right to unlimited vacation days.

SOURCE: PD:021 Explain the rights of workers

SOURCE: Utility Workers Union of America. (2016). *What are the benefits of being a union worker?* Retrieved August 12, 2021, from <https://uwua.net/what-are-the-benefits-of-being-a-union-worker/>

75. B
Director of convention and visitors bureau. The travel and tourism career area includes job titles like director of convention and visitors bureau. Director of recreation and parks, concession manager, and museum conservator are all job titles that fall under recreation, amusements, and attractions.
SOURCE: PD:272 Explain career opportunities in hospitality and tourism
SOURCE: LAP-PD-272—Career Opportunities in Hospitality and Tourism
76. C
Internship. An internship is a form of training in which a school and a business cooperate to provide on-the-job practice for a learner. Many interns—but not all—receive high school or college credit for their work, and an internship may be paid or unpaid, depending on the circumstances. Ivana is studying marketing, so interning at an ad agency gave her an opportunity to learn more about working in the advertising world. A trade mission consists of a group of volunteer businesspeople sponsored by the government to inform exporters about foreign markets. A needs analysis is typically the process of identifying and prioritizing training needs. An understudy is a manager or supervisor who has been specifically designated as the person to succeed their superior and who is learning the job-knowledge skills from that person.
SOURCE: PD:032 Describe techniques for obtaining work experience (e.g., volunteer activities, internships)
SOURCE: Doyle, A. (2019, August 20). *How to get an internship*. Retrieved August 12, 2021, from <https://www.thebalancecareers.com/how-to-find-an-internship-2061073>
77. A
Increases efficiency. The chain of command defines the level of authority and the specific individual who supervises particular employees. Having a chain of command helps provide order and structure for business. Having order and structure helps the business operate efficiently. The level of collaboration, teamwork, and creativity depends on the nature of the business and the business's work culture.
SOURCE: PD:252 Follow chain of command
SOURCE: Kelchner, L. (2019, February 4). *The importance of following the chain of command in business*. Retrieved August 12, 2021, from <https://smallbusiness.chron.com/importance-following-chain-command-business-23560.html>
78. D
Brick-and-mortar travel agencies. Travel agents plan and book vacations for customers, handling everything from finding the best deals on hotels to arranging for transportation. User-friendly booking websites such as Expedia have made it easy for consumers to plan and book their own travel, reducing the need for brick-and-mortar travel agencies. The rise of internet booking sites has not decreased the popularity of cheap and discount cruise vacations, all-inclusive travel packages, or rental car programs and services.
SOURCE: PD:105 Describe the development of the hospitality and tourism industry
SOURCE: Peterson, L. (2019, March 19). *Impact of technology on the travel agency business*. Retrieved August 13, 2021, from <https://smallbusiness.chron.com/impact-technology-travel-agency-business-57750.html>
79. C
Differences in staff members' abilities. Services by nature are highly variable and dependent on who provides them. Some staff members may be more skilled than others, which can cause guests to perceive their experiences differently. The perishability of unsold rooms is an internal financial challenge of a hotel that does not cause variability in its service. Standardized check-in procedures are a technique that hotels use to reduce variability in service. Customer satisfaction surveys are used to evaluate a hotel's service and do not cause variability.
SOURCE: PD:111 Describe the nature of the hospitality and tourism industry
SOURCE: Kotler, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 34-39]. Boston, MA: Pearson, Education, Inc.

80. B

Quality. Customers often associate price with quality. For example, customers assume that if the price of a hotel room is high, the quality is high. Full-service hotels that provide upscale services and amenities usually charge high rates for their rooms because guests expect to pay high prices for the quality services. High prices are realistic to guests who stay in full-service hotels. If the hotels lowered their prices, guests might not stay there, because the rates are lower than expected, and they might assume that the quality is also low. Guests of full-service hotels do not associate high prices with value or economy. Supply is the quantity of a good or service that sellers are able and willing to offer for sale at a specified price in a given time period.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

81. A

Market opportunities. Product/Service management is a marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. This includes considering what CEOs want and what competitors are doing, as well as following government rules and regulations, but these are not the sole factors involved in product/service management—it considers the market as a whole.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

82. C

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

SOURCE: PM:003 Explain the concept of product mix

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

83. D

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

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Leonard, K. (2018, October 23). *Product bundling strategy*. Retrieved August 13, 2021, from <https://smallbusiness.chron.com/product-bundling-strategy-41789.html>

84. A

Location on the water. Few hotels will be able to duplicate the hotel's location; therefore, that should be its competitive advantage and should be used to attract the 35- to 55-year-old market that has money to spend. Since food will be included in the price guests pay, ease of access to fast-food restaurants will not be an advantage. The hotel's moderate pricing does not separate it from competition. The target market will be appealed to—not the competitive advantage.

SOURCE: PM:246 Identify product's/service's competitive advantage

SOURCE: Twin, A. (2021, March 8). *Competitive advantage*. Retrieved August 13, 2021, from https://www.investopedia.com/terms/c/competitive_advantage.asp

85. A

Entertainment value. One reason that many people take cruises is because of the entertainment value. Cruise ships often provide entertainment in the form of movies, dancing, and celebrity acts such as stand-up comedy, musical concerts, and theater shows. Some cruise lines offer action-adventure experiences, team-oriented activities, and educational opportunities, but these are not the types of activities that Smooth-Sailing Cruise Lines offers.

SOURCE: PM:095 Describe services offered by the hospitality and tourism industry

SOURCE: Silverstein, E. (n.d.). *Top 10 reasons to cruise*. Retrieved August 13, 2021, from <https://www.cruisecritic.com/articles.cfm?ID=1106>

86. C

Related to the original product. A product extension is an additional product, related to but different than the main hospitality and tourism product. For example, the main product might be a cruise, while the product extension is a tour of the port city before departure. The product extension adds value to the original product and often meets the needs of customers. Product extensions are extras rather than necessary parts of the hospitality and tourism experience. Extensions are not necessarily expensive, such as a sightseeing tour of a city. Staff often suggest product extensions to meet customers' needs, not simply to generate income.

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

SOURCE: Hirsh, L. (n.d.). *What is product extension in marketing?* Retrieved August 13, 2021, from <https://smallbusiness.chron.com/product-extension-marketing-65988.html>

87. C

Promotion. Promotion is the communication of information about goods, services, images, and/or ideas. The type and amount of promotion should be adjusted as demand for a product changes with the seasons, with time, or with economic conditions. For example, businesses may increase promotions for certain products during the slow season. Assortment is the combination of goods that a business offers for sale. Management is the process of coordinating resources to accomplish an organization's goals. Expansion is growth.

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

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

88. D

Patronage. Patronage promotions are designed to promote a firm's prestige or its features. Presenting information about the firm's features that will benefit the customer is another way to sell the firm for nonproduct reasons. For example, patronage promotions for a pizza place might tell customers about its organic toppings and extended delivery range. Public relations promotions are a type of institutional promotion created to deal with controversial public issues that are related to a company or its products. Public service promotions inform customers about noncontroversial issues that are in the public's best interest. Primary is a type of product promotion.

SOURCE: PR:002 Explain the types of promotion (i.e., institutional, product)

SOURCE: LAP-PR-004—Know Your Options (Product and Institutional Promotion)

89. A

Customer satisfaction levels. Quality management is the coordination of resources to ensure the degree of excellence of a process, good, or service. One aspect of quality management involves customer satisfaction levels with the business's products. To gauge customer satisfaction levels in relation to product quality, the business monitors sales and obtains and evaluates customer feedback. If customers are satisfied with product quality, customer feedback is likely to be positive, and sales will be steady or will increase. If product quality is declining, customer feedback will likely be negative, complaints and returns may increase, and sales may decrease. Factors that may affect customer satisfaction levels include the product's durability, the product's performance, and customer service. The efficiency of the production process and the employees' performance levels do not always affect product quality.

SOURCE: QM:001 Explain the nature of quality management

SOURCE: Money Instructor. (2002-2020). *How to measure business quality*. Retrieved August 13, 2021, from <https://www.moneyinstructor.com/art/businessquality.asp>

90. A

Strategic. Businesses typically use strategic controls to help company executives and managers understand the impact that external forces and risks can have on business and strategic, long-range plans. Management controls focus much more on internal risk and control. Management-control activities present throughout the organization help the business to identify, assess, and react to business risks successfully. Process controls should be present in every business function. Each process control is specific to a certain business activity and works to preserve the integrity and reliability of data, products, and processes. Variable controls are not commonly associated with risk management.

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

SOURCE: CLIR. (n.d.). *Appendix I: The business risk model*. Retrieved August 13, 2021, from <https://www.clir.org/pubs/reports/pub90/appendix1.html>

91. A

Company leads. When Marcella participates in an industry trade show, she's obtaining company leads. Company leads can come from information provided by a company, its advertising, participation in trade shows, telemarketing, social media campaigns, and direct-mail marketing. External sources are people and organizations outside the business used for locating potential customers. Personal sources are contacts that each individual has through their customers, friends, or relatives. Referrals are individuals or businesses to whom salespeople are recommended by loyal customers.

SOURCE: SE:828 Explain key factors in building a clientele

SOURCE: LAP-SE-828—Keep Them Loyal (Key Factors in Building Clientele)

92. D

Characteristics. A business's promotional materials often contain information about a product's characteristics or features that salespeople can use to sell the product. By reading a business's brochures, pamphlets, and print advertisements, salespeople can obtain information about a product's characteristics that will be useful in convincing customers that a product has the features that will provide the benefits for which they are looking. Aptitudes are natural talents for learning specific skills.

Demographics are information used to describe a population. Objectives are goals to be reached.

SOURCE: SE:062 Acquire product information for use in selling

SOURCE: LAP-SE-062—Get Informed (Acquiring Product Information for Use in Selling)

93. A

Acknowledge their individuality. Acknowledging that the customer is an individual means seeing them as a person, not just a paycheck. This includes sizing them up by looking for clues to the customer's personality so that the approach can be the most appropriate for that customer. This step helps the salesperson put the customer at ease and gain their confidence. Probing is questioning customers to find out what they think, feel, or know. Suggestion selling attempts to increase the customer's purchase by suggesting additional items after the original decision to buy has been made. Reaching closure is the step in the selling process in which the salesperson addresses customer objections and asks the customer to buy.

SOURCE: SE:048 Explain the selling process

SOURCE: MBO Partners. (2021, July 27). *7 ways to build and maintain strong client relationships*. Retrieved August 13, 2021, from <https://www.mbopartners.com/blog/how-manage-small-business/6-tips-for-building-and-maintaining-client-relationships/>

94. A

Upselling. Upselling is a sales technique in which a higher-priced product than the one originally requested by the customer is suggested. Roxanne suggested that Mrs. Whitaker pay a bit more for a higher-priced room that has a few additional amenities, which might make her stay more pleasurable. Product bundling involves combining several products and selling them for one all-inclusive price, which is usually lower than the combined price of the products sold separately. Prospecting involves identifying any person or organization with the potential to buy a product and compiling that information in an organized manner for future use. In-depth questioning or probing involves asking questions to find out what customers think, feel, or know.

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

SOURCE: Miley, M. (n.d.). *What is up-selling & cross-selling?* Retrieved August 13, 2021, from <https://smallbusiness.chron.com/upselling-cross-selling-23812.html>

95. C

Physiological. When people travel for the purpose of relaxation, they are satisfying their physiological needs. These are basic needs that people have, such as the need for food, water, and sleep. With self-actualization needs, people would travel to develop their full potential. Self-esteem needs are met when people travel for self-respect and the respect of other people. Safety and security needs are being met when people travel for personal security or for a source of income.

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

SOURCE: Gupta, A. (2015, March 3). *Maslow's hierarchy of travel needs*. Retrieved August 13, 2021, from <https://medium.com/@aashishgupta/maslow-s-hierarchy-of-travel-needs-656bc64b3aa5>

96. A

Education. Because Julia enjoys learning, her travel decisions are motivated by her desire for education. There is not enough information provided to determine if educational activities relax Julia, or if Julia enjoys activities that involve health, fitness, or live entertainment.

SOURCE: SE:221 Recommend hospitality and tourism services

SOURCE: Regents of the University of California. (2021). *Why people vacation*. Retrieved August 13, 2021, from <http://sfp.ucdavis.edu/agritourism/factsheets/why/>

97. D

Arrival and departure dates. To process a hotel reservation by phone, the reservationist must know the guest's arrival and departure dates to determine if and what types of sleeping accommodations are available for the guest's anticipated stay. The reservationist does not need to know the guest's dietary requirements, seating preferences, or transportation arrangements.

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

SOURCE: Hospitality School. (n.d.). *How to take reservation on phone*. Retrieved August 13, 2021, from <https://www.hospitality-school.com/hotel-telephone-reservation>

98. A

Should the company be restructured? It's important for managers to periodically evaluate the results of the organizing process. One question a manager might ask to evaluate organizing efforts might be whether or not the company should be restructured. Decreasing sales, quarterly goals, and new hires are not related to organizing.

SOURCE: SM:064 Explain managerial considerations in organizing

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

99. C

Her need for stability. People are motivated by different types of needs. In this situation, Rita is motivated by her need for stability. When she is given stability, she is motivated to achieve at a high level. There is no indication that Rita is motivated by fear of failure, her need to please others, or monetary reward.

SOURCE: SM:066 Discuss managerial considerations in directing

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

100. A

Identify its risks. Risk is the possibility of loss (failure) or gain (success). Risk management involves planning, controlling, preventing, and limiting business losses, as well as enhancing possibilities for gain. The first step in risk management is identifying risks, which are broadly categorized as hazard, financial, operational, and strategic risks. After identifying risks, the business can determine the probability of each risk occurring and the potential losses associated with the risk. Then, the business can determine how to respond to the risk. Depending on the type of risk, the business may decide to avoid, accept, mitigate, or transfer the risk. Transferring risk typically involves purchasing insurance.

SOURCE: SM:075 Explain the nature of risk management

SOURCE: LAP-SM-075—Prepare for the Worst; Expect the Best (Nature of Risk Management)