

1. Aviation, taxation, and commerce are categories of \_\_\_\_\_ law.
  - A. judicial
  - B. legislative
  - C. administrative
  - D. executive
2. Before you can perform new tasks, you should first read the instruction manual so you can
  - A. apply the directions in reverse order.
  - B. follow the written directions in the proper sequence.
  - C. perform the tasks in the order that you think works best.
  - D. use shortcuts to complete the tasks quickly.
3. One way for an audience to show that it supports a speaker's opinion is by \_\_\_\_\_ the speaker.
  - A. heckling
  - B. applauding
  - C. ignoring
  - D. tolerating
4. What communication style is most appropriate to use when you are providing a friend with personal advice?
  - A. Judgmental
  - B. Formal
  - C. Empathic
  - D. Businesslike
5. Using a table to present or summarize data in a written document is most appropriate when
  - A. the report does not require a bibliography.
  - B. it is important to build credibility and impress the audience.
  - C. the data are too complex to describe in the body of the text.
  - D. it is placed in the appendices of a complex report.
6. After Lana finishes writing the promotional copy for a direct-mail letter, she plans to proofread and edit her work on her computer. What technique will help Lana determine if the text is clear and logical?
  - A. Reading the text aloud
  - B. Reading the text backwards
  - C. Correcting grammatical mistakes
  - D. Correcting punctuation errors
7. When the audience wants to know which course of action to take, the writer of an analytical report should focus on
  - A. recommendations.
  - B. logical arguments.
  - C. progress.
  - D. external factors.
8. As an employee of the TMX Company, you have been asked to investigate the financial aspects of a proposed merger with LAU International. What type of analytical report are you being asked to develop?
  - A. Justification
  - B. Market analysis
  - C. Due diligence
  - D. Troubleshooting
9. What section of a research report outlines the research plan?
  - A. Introduction
  - B. Recommendations
  - C. Results
  - D. Methodology
10. To help businesspeople adapt their communication styles to appeal to clients from other cultures, they should strive to be
  - A. respectful, indifferent, and honest.
  - B. confident, biased, and manipulative.
  - C. sensitive, transparent, and demanding.
  - D. patient, flexible, and empathetic.
11. Which of the following situations is an unethical action associated with customer relationship management:
  - A. Allowing customers the ability to opt-out of the e-mail updates that the business provides
  - B. Implementing a frequent-buyers program for the business's customers
  - C. Collecting customer information with authorization to develop a customer profile
  - D. Selling customer lists without the customers' consent to third parties

12. A production-line conveyor belt is an example of a(n)
- A. service.
  - B. part.
  - C. staple good.
  - D. installation.
13. Managers who have a \_\_\_\_\_ span of control generally have \_\_\_\_\_ control over the workers they supervise.
- A. large, a lot of
  - B. broad, balanced
  - C. small, close
  - D. limited, little
14. Which of the following is an ethical issue that businesses often encounter:
- A. Responsible behavior
  - B. Conflict of interest
  - C. Concern for consumers
  - D. Zero tolerance
15. When the inflation rate \_\_\_\_\_, the interest rates tend to \_\_\_\_\_.
- A. increases, stabilize
  - B. increases, increase
  - C. decreases, increase
  - D. stabilizes, increase
16. If one U.S. dollar is equal to \$1.04460 Canadian dollar, how much would you pay for a computer that costs \$265 U.S. dollars in Canadian dollars?
- A. \$264.74
  - B. \$288.96
  - C. \$297.60
  - D. \$276.82
17. When Canadian and Mexican businesspeople conduct business in the United States, it is important to remember that
- A. flowers and plants are considered to be distasteful and inappropriate gifts.
  - B. gifts, such as gourmet food items and vintage wines, are expected.
  - C. gifts should be presented only to the president or CEO of the company.
  - D. gift-giving is often discouraged because it may be viewed as bribery.
18. Ted Jenkins, a business executive from Seattle, has an important business meeting with Sir Henry James Winchester, the president of BritCom Technologies. Ted's coworker, Lydia Guilford is originally from London, and she provided Ted with advice about acceptable nonverbal behavior in England. Which of the following would Lydia tell Ted about the British:
- A. Usually greet one another with a warm embrace and a kiss on both cheeks
  - B. Rarely maintain eye contact when conversing with others
  - C. Often cross their arms when they agree with a comment or position
  - D. Seldom shake hands because they prefer a wide range of personal space
19. Gina Hoskins is a textbook executive with ABC International Publishers. She is meeting with several influential instructors in San José, Costa Rica to discuss a potential contract. When Gina is introduced to Alberto Cabrera, a teacher from Costa Rica, how should she greet him?
- A. I'm glad to make your acquaintance, Alberto Cabrera.
  - B. It's a pleasure to meet you, Don Alberto.
  - C. Hello, Professor.
  - D. Good afternoon, Senora Cabrera.
20. Which of the following statements is true about the business communications in Guatemala:
- A. It is an acceptable practice to discuss political and environmental issues with Guatemalans.
  - B. Guatemalans prefer to get right to business rather than engaging in personal conversation.
  - C. Guatemalans tend to talk at the same time, so foreigners should speak loudly.
  - D. It is customary for Guatemalans to begin with social talk before addressing business issues.

21. Irish businessperson Nicole McMurray wanted to give Mrs. Fukushima, the wife of a well-known Japanese business executive, a small token of appreciation for inviting her to dinner. Nicole carefully selected a gift, wrapped it in white paper, and placed a red bow on top of the package. When Nicole presented the gift, Mr. and Mrs. Fukushima responded with looks of confusion and frowns. Later, Nicole learned that the color white signifies death to the Japanese, while red signifies luck. This situation illustrates that
- A. the Japanese culture prefers dark colors, such as gray.
  - B. the concept of color is similar throughout the world.
  - C. color is not an important concept in most cultures.
  - D. different cultures associate different meanings with color.
22. Because punctuality is important in the Taiwanese culture, foreign businesspeople should
- A. avoid standing too close to Taiwanese people.
  - B. arrive at meetings on time.
  - C. bow when greeting a Taiwanese businessperson.
  - D. expect to wait for service.
23. Which of the following is a personal appearance factor that foreigners should consider when conducting business in Saudi Arabia:
- A. A handshake is a common greeting.
  - B. Wives and daughters are not proper conversational topics.
  - C. Silence is common during business meetings.
  - D. Visitors should dress conservatively.
24. Hilda Vanderspiel is a German businesswoman who is hosting a dinner for business executives from Delhi, India. When planning the menu for her guests, Hilda should consider their
- A. table manners.
  - B. physical differences.
  - C. dietary habits.
  - D. seating preferences.
25. Which of the following is an example of an employee who is accepting responsibility for his/her actions:
- A. Pete informed the team leader that Brenda's carelessness, rather than his own, was the reason for the inconsistencies in the group's project report.
  - B. Cynthia admitted to her supervisor about the billing mistake that she made on the Andrew's account.
  - C. Emily realized that she forgot to lock the warehouse door on the night that the equipment was stolen, and she didn't tell anyone.
  - D. Larry decided that he would require Bob to make the decision, so Bob would be blamed if something went wrong.
26. Joe has a two-hour sales meeting with a new customer at 10 a.m. today. Early this morning, a vendor telephoned Joe to schedule a one-hour luncheon meeting to discuss a coop-advertising program. The vendor would like to meet at a restaurant that is 30 minutes from Joe's office at 1:00 p.m. today. Joe must be back at his office by 2:00 p.m. for an important computer training session. Should Joe meet with the vendor today?
- A. No. Joe would have only 30 minutes to meet with the vendor before he needs to return to the office.
  - B. No. It is rude for the vendor to assume that Joe has time to meet today.
  - C. Yes. Joe can meet with the vendor after he reschedules his training session.
  - D. Yes. Joe can meet with the vendor after the vendor changes the lunch reservation to 12:45 p.m.
27. Planning ahead and estimating the time it will take to complete your tasks will help you to
- A. manage your work commitments effectively.
  - B. learn how to procrastinate.
  - C. improve your technical skills.
  - D. reduce your workload.

28. While negotiating a contract, Angela gives up one thing she wants, so she has leverage to obtain something else that she wants more. What is Angela doing?
- A. Being passive
  - B. Avoiding conflict
  - C. Making concessions
  - D. Issuing ultimatums
29. One way to reduce stress on the job is to
- A. take time to complete personal tasks.
  - B. complete tasks at the last possible moment.
  - C. take breaks every hour.
  - D. plan your work in advance.
30. Team leaders often use positive reinforcement techniques to
- A. evaluate events.
  - B. develop team schedules.
  - C. motivate team members.
  - D. encourage competition.
31. A realistic vision involves attaining \_\_\_\_\_ results.
- A. conditional
  - B. complex
  - C. noble
  - D. permanent
32. When employees from different departments need to interact to accomplish a compatible goal, they should exhibit a(n) \_\_\_\_\_ mindset.
- A. independent
  - B. competitive
  - C. collaborative
  - D. skeptical
33. The RTF Company's management team is working on next year's budget, and rumor has it that some departments' budgets will be cut. The production manager, Allison, has been speaking with other managers and influential staff members about the budgeting issues, and discussing why the production department should not be subject to a budget cut. The primary reason that Allison is engaging in organizational political behavior is due to
- A. the desire for career advancement.
  - B. technological needs.
  - C. unrealistic goals.
  - D. scarce resources.
34. What is the co-signer of a bank loan legally responsible to pay if the borrower defaults on the loan?
- A. The balance of the loan owed
  - B. The principle amount owed only
  - C. The interest amount owed only
  - D. The original amount of the loan
35. Governments pay for public services such as police protection, road repairs, and public education by
- A. regulating the business cycle.
  - B. mandating donations.
  - C. establishing embargoes.
  - D. collecting taxes.
36. Individuals can verify the accuracy of their credit histories by reviewing a \_\_\_\_\_ that is obtained from a \_\_\_\_\_.
- A. bank statement, financial institution
  - B. credit report, credit bureau
  - C. lending statement, tax agency
  - D. credit certificate, credit union
37. A primary reason that governments regulate the ways in which businesses must report financial data is to
- A. stimulate market growth.
  - B. eliminate mistakes.
  - C. reduce taxes.
  - D. ensure transparency.
38. Which of the following is a characteristic of groupthink that may hinder ethical decision making in relation to financial issues:
- A. Independence
  - B. Objectivity
  - C. Censorship
  - D. Empathy
39. To help new employees become familiar with the business environment and company culture, companies often conduct
- A. orientation sessions.
  - B. performance evaluations.
  - C. application screenings.
  - D. financial seminars.

40. During an executive staff meeting, the company's president stated, "Samari Enterprises experienced a three percent increase during the first quarter and a five percent increase during the second quarter of this fiscal year." The company's president is providing the group with
- A. tacit knowledge.
  - B. explicit knowledge.
  - C. personal opinion.
  - D. speculation.
41. What is a negative effect of employees who are unwilling to share tacit knowledge with one another?
- A. More disclosure
  - B. Low efficiency
  - C. Less competition
  - D. High cohesiveness
42. Shannon has worked at the XBO Company for two years in the production department. During a weekly meeting, the staff was brainstorming ideas to resolve a problem the department has been experiencing on the production line. During the meeting, Shannon told the staff about some changes that her previous company made to its production process, which increased its efficiency and outputs. Shannon's manager liked the idea, and thought that it might work at XBO. This situation illustrates the concept of
- A. limited confidentiality.
  - B. inevitable disclosure.
  - C. competitive obstruction.
  - D. trade-character infringement.
43. One tool that businesses can use to allow employees and customers to share knowledge through their web sites is by posting
- A. message boards.
  - B. meta tags.
  - C. bots.
  - D. interesting content.
44. Which of the following is a technological tool that a business uses to store, update, and access various types of information:
- A. Microfilm
  - B. Newsletter
  - C. Instruction manual
  - D. Relational database
45. A business might ask its employees to sign a nondisclosure agreement to
- A. avoid discrimination lawsuits.
  - B. protect its trade secrets.
  - C. ensure its employees' privacy.
  - D. prevent copyright infringement.
46. The laddering technique is used to capture and change categories of
- A. redundant knowledge.
  - B. horizontal communication.
  - C. meaningless data.
  - D. hierarchical information.
47. Determine which function of marketing addresses the following question: Is the product packaged appropriately?
- A. Pricing
  - B. Selling
  - C. Marketing-information management
  - D. Product/service management
48. ChemTech International plans to build a new research facility, which is to be completed in two years. As an employee with ChemTech, your supervisor has requested that you produce a detailed document to send to potential vendors and contractors that outlines how they should submit bids to perform work for the new facility. The document is to contain instructions about the type of information the potential vendors should provide in their bids, and the format in which the information should be presented. What type of document are you preparing?
- A. Request for proposal
  - B. Summary of qualifications
  - C. Executive summary
  - D. Business plan

49. Determine if the following statement is true or false: It is acceptable for a business to distribute its customers' personal information without their consent to third parties.
- A. True. Most international trade agreements include provisions that allow businesses to sell their customers' personal information to other businesses.
  - B. False. A business that distributes its customers' personal information is breaking antitrust laws.
  - C. True. After collecting customers' information, the business owns the information and can do whatever it wants with the information.
  - D. False. It is unethical to distribute customers' personal information without their permission to third parties.
50. Mr. Edwards saved some confidential customer information from his employer's computer network onto a flash drive, so that he could work on a project from a different location. Without realizing it, Mr. Edwards dropped the flash drive in a parking lot on his way to a meeting. This situation is an example of a risk related to
- A. data entry.
  - B. patent protection.
  - C. employee privacy.
  - D. information security.
51. Which of the following is the medium that is most appropriate to use for communicating and obtaining in-depth information:
- A. Internet
  - B. High definition television
  - C. Satellite radio
  - D. Scanner
52. The ONT Company is a very large firm that handles many types of projects. What type of project-management software program would be the best choice for ONT to use?
- A. Costing
  - B. Scheduling
  - C. Corporate-level
  - D. Individual-level
53. What is the advantage to using project-management computer software that allows several team members to access project information at the same time?
- A. Ensures data accuracy
  - B. Reduces the need to secure data
  - C. Enhances collaboration efforts
  - D. Eliminates the need to analyze variances
54. Which of the following is the result of a new technology's impact on operations management?
- A. A video game company airs a commercial that can be viewed in 3-D.
  - B. A manufacturer can produce custom orders without decreasing efficiency.
  - C. A software upgrade allows the accounting department to transfer data between reports without re-entering it.
  - D. Computers scan resumes of potential job applicants instead of humans checking for qualifications.
55. Which of the following facility components are inspected by authorized officials to ensure that safety ordinances are met:
- A. Computer networks
  - B. Photocopiers
  - C. Elevators
  - D. Portable cameras
56. The operations manager schedules quarterly reviews of office equipment whether there have been recent problems or not. This is an example of
- A. preventive maintenance.
  - B. installation.
  - C. safety precautions.
  - D. corrective maintenance.

57. Randy has three tasks that he must complete in the next two days. One task that he must do is to develop the production schedule for next week, which is due by 12:30 p.m. tomorrow and will take him approximately three hours to complete. Randy must also finish a PowerPoint presentation for a meeting at 4:00 today, which will take him approximately two hours to complete. And, he must prepare and place an order for parts by 1 p.m. today, so the order arrives by next Monday. It is currently 12:15 p.m. In what order should Randy prioritize his work load?
- Prepare and place the order; complete the PowerPoint presentation; develop the production schedule
  - Develop the production schedule, prepare and place the order; complete the PowerPoint presentation
  - Complete the PowerPoint presentation, prepare and place the order; develop the production schedule
  - Prepare and place the order, develop the production schedule; complete the PowerPoint presentation
58. An effective way to prioritize work is to categorize tasks in
- order of their importance.
  - alphabetical order.
  - numerical sequence.
  - relation to enjoyment level.
59. Dexter must receive information from Isabelle before he can complete a job task. After completing his task, Dexter prepares a form to send to Amy, so she can perform her job. The activities are coordinated in a way that the work must be completed
- simultaneously.
  - sequentially.
  - quickly.
  - randomly.
60. When a project manager discovers an inefficient process while team members are executing a project activity, s/he should
- organize a committee to evaluate the project's status.
  - hire a consultant to resolve the problem.
  - make the necessary changes to get the project back on track.
  - monitor the team members to encourage teamwork.
61. Which supplier should Turbo Unlimited select according to the following chart?

	<b>Cost structure</b>	<b>On-time delivery</b>	<b>Product quality</b>	<b>Management capability</b>
Weight	0.4	0.2	0.3	0.2
<b>SUPPLIER</b>				
Company A	4	4	3	5
Company B	5	3	3	4
Company C	3	2	4	4
Company D	5	5	2	4

- Company D
  - Company B
  - Company C
  - Company A
62. What is an advantage to a company of building long-term relationships with a few vendors?
- Less information sharing
  - Wider product selection
  - Fewer supply interruptions
  - Easier to manage
63. A business with a cooperative orientation tends to view its relationships with vendors as
- obligations.
  - partnerships.
  - long-term rivalries.
  - short-term transactions.

64. Which of the following is an example of a buyer placing an advance order:
- A. Fred ordered a 2' X 4' sign imprinted with the company's logo, which he wants to pick up on Monday.
  - B. On Tuesday, Katherine placed an order for 22 cases of paper towels to replenish depleted stock.
  - C. Alan placed a large order on March 10 for a new video game that is to be released on June 1.
  - D. In January, Lindsey ordered outdoor seasonal goods from a vendor without providing specific styles, sizes, or colors.
65. Which of the following are examples of raw materials that a business might keep on hand for production:
- A. Minerals, tables, leather, and paper
  - B. Leather, bolts, stapler, and ore
  - C. Grain, minerals, leather, and oil
  - D. Oil, grain, shoes, and household cleanser
66. The dating terms that the MRL Restaurant Supply Company negotiated with its glassware vendor are 5/10 net 30 for a purchase order generated on May 20. Calculate the discounted amount that MRL would owe for an order of \$1,580.50 if it pays by May 27<sup>th</sup>.
- A. \$1,510.07
  - B. \$1,547.47
  - C. \$1,541.07
  - D. \$1,501.47
67. The practices of not relying on inspection to achieve quality and lowering costs by working with just one supplier are part of which quality control technique?
- A. Total quality management
  - B. Six Sigma
  - C. Lean operations
  - D. Continuous improvement
68. My Favorite Things is a manufacturer. Recently, the management at My Favorite Things has noticed an increase in the number of customer returns due to defects. In response, management wants to motivate employees to focus on quality control by involving them in the process. Which of the following should NOT be used to encourage employees to take responsibility for manufacturing high-quality products:
- A. Form teams that work together to improve quality
  - B. Help employees identify their internal customers who rely on their work
  - C. Give employees the power to correct a defect immediately
  - D. Have employees compete for the position of quality inspector
69. Which of the following is an example of an employee analyzing human-resources information:
- A. Sally evaluates the responses to a survey that the business distributed online to customers who spent over \$5,000 with the firm last year.
  - B. Pedro uses a complex software program to calculate the various break-even points for a new product.
  - C. Stewart gathers quotes from a variety of vendors to determine which vendor provides the best quantity discount for parts.
  - D. Polly reviews several companies' pay scales to determine if the pay range for the firm's marketing director is appropriate.
70. A business often compares its similar financial information from different time periods to
- A. detect trends.
  - B. control markets.
  - C. evaluate competitors.
  - D. influence buying behavior.
71. Which of the following is an example of paradigm innovation:
- A. Windows computer operating system
  - B. Energy-saving light bulbs
  - C. The latest model of the Honda Civic
  - D. Rechargeable batteries

72. Tonia was just hired as an assistant brand manager at Drake Goodwin. She is amazed at the fast-pace of the office. Everyone looks very busy, especially her supervisor. This morning when she arrived, there was a note from her supervisor on her desk explaining what she should do today. After reading it several times, she thinks she understands her assignment, but isn't positive. She can see her supervisor is busy on a phone call. What should she do?
- A. After her supervisor ends the call, ask her to clarify the instructions
  - B. Ask a coworker to read the note and help her understand it
  - C. Work on the task to the best of her ability
  - D. Work on a different task that she is comfortable doing
73. The best way for people to obtain information about a variety of career fields and options is by
- A. accessing online employment services.
  - B. joining social organizations.
  - C. completing job applications.
  - D. reading virtual textbooks.
74. Laney is a very good singer. Since age four, she has sung in community musicals, at church, and in school productions. She's 15 now and knows she wants a career as a singer. Her teacher announces a special career exploration program. Should Laney join?
- A. Yes, because career exploration will prove her plans to be a singer are unrealistic.
  - B. No, it is important that Laney remain focused on her dream to be a singer.
  - C. Yes, it is important to learn about many careers before selecting one.
  - D. No, because a career as a singer does not follow a specific career path.
75. Over lunch, Louise tells her new friend that she loves to write. Over the past 20 years, she has been a newspaper reporter, written a magazine column, taught writing at a local college, volunteered as a writing tutor at an elementary school, studied journalism in New York, and even had a novel published. Louise is describing her
- A. career.
  - B. job.
  - C. occupation.
  - D. work environment.
76. In what type of business document would the following statement appear:
- Employees shall not distribute written materials about religious, political, or social issues on company property.
- A. Rules of conduct
  - B. Employment application
  - C. Certificate of authority
  - D. Statement of intent
77. At Oh-So-Good Gourmet Cookie Company, Todd is the warehouse manager, Pamela is the lead shipping clerk, David is a part-time shipping clerk, Carrie is the shipping supervisor, and Sharon is the vice president of distribution. Following a vertical chain of command, who is Carrie's direct supervisor?
- A. Todd
  - B. Sharon
  - C. David
  - D. Pamela
78. The chief executive officer (CEO) of a public corporation reports to the
- A. board of directors.
  - B. executive staff.
  - C. chief financial officer.
  - D. regulatory agency.
79. What type of goal is designed to prevent or control internal organizational behavior?
- A. Product
  - B. Order
  - C. Profit
  - D. Short-term
80. A business must ensure that it hires employees who possess the appropriate skills to
- A. determine if the business needs to seek additional funding.
  - B. help the business achieve its organizational goals.
  - C. analyze the business's profit margins.
  - D. set the appropriate standards.

81. What section of the statement of work (SOW) defines what the project will produce?
- A. Schedule estimates
  - B. Purpose statement
  - C. Benefits and risks
  - D. Project deliverables
82. Kara is preparing the work breakdown structure (WBS) for a new project. She has prepared five work packages. She has estimated the time to complete each package as follows: Package A-26 hours; Package B-50 hours; Package C-38 hours; Package D- 6 hours; and Package E-15 hours. If Kara's estimates are accurate, has she followed the 8/80 rule?
- A. No. Kara has scheduled more than 80 hours of work for the entire project.
  - B. No. Package D does not meet the minimum requirement of taking eight hours to complete.
  - C. Yes. The average time to complete each package is 27 hours, which meets the 8/80 criteria.
  - D. Yes. Kara has scheduled the packages so that each one does not exceed 80 hours.
83. To understand how team members perform their project tasks, project managers should possess \_\_\_\_\_ skills.
- A. interpersonal
  - B. technical
  - C. persuasive
  - D. negotiation
84. Which of the following is an example of a project manager delegating responsibility to a project team member:
- A. Nina advises Milton that he is responsible for preparing the team's weekly status report.
  - B. Bill tells Peter that he needs to remember to include a cover sheet with his TPS report.
  - C. Stan asks Joanna and Tom for suggestions to improve process efficiency.
  - D. Anne determines that Bob has the desired organizational skills to be on the project team.
85. Determine the type of project-closing report that would most likely contain the following statement:
- “In review, group members agreed that additional training before the project began and ongoing technical support during the course of the project would have increased overall efficiency.”
- A. Executive summary
  - B. Lessons learned document
  - C. Termination checklist
  - D. Stakeholder's expense audit
86. Which of the following is a situation indicating a problem with product durability:
- A. A customer returns a software package because it does not work with her/his computer.
  - B. A customer returns a recently-purchased sweater because it is the wrong size.
  - C. A customer complains to a restaurant server that his/her steak is too rare.
  - D. A customer complains that her/his new cell-phone battery quit working after one week.
87. A water-filtering company made some changes to its processes that resulted in better tasting water. This is an example of
- A. quality improvement.
  - B. quality control.
  - C. opportunity cost.
  - D. market development.
88. The overall purpose of the Six Sigma quality-management framework is to satisfy customers and
- A. simplify activities.
  - B. lower costs.
  - C. improve technology.
  - D. identify needs.
89. What is the potential benefit to a business that continuously takes action to improve the quality of its goods and services?
- A. Higher demand
  - B. Increased product options
  - C. Increased premiums
  - D. Higher costs

90. Which of the following is a true statement about the role of ethics and business risk:
- A. The unethical behaviors of a business's managers do not affect the business's employees.
  - B. Businesses that provide ethics-training programs can reduce the business's level of risk.
  - C. Businesses that follow ethical guidelines often damage their reputations in the marketplace.
  - D. Businesses are not at risk when they assume that their employees understand the importance of ethics.
91. Which of the following is a method that businesses use to reduce the risk of unauthorized access to confidential computer data:
- A. Groupware applications
  - B. Decryption software
  - C. Passwords
  - D. Spooling
92. Which of the following is a business risk associated with a failure to follow laws:
- A. Increased inventory
  - B. Government fines
  - C. Decreased quotas
  - D. Goal achievement
93. What can businesses do to reduce risks associated with noncompliance?
- A. Monitor regulations
  - B. Evaluate competitors
  - C. Obtain customer feedback
  - D. Allocate operating funds
94. What must occur before any management functions can be carried out?
- A. Brainstorming
  - B. Analyzing
  - C. Processing
  - D. Planning
95. What is the primary purpose of managerial planning?
- A. To evaluate forecasts
  - B. To implement activities
  - C. To prepare for the future
  - D. To change processes
96. Which of the following is an activity associated with the organizing function of management:
- A. Determining the division of labor
  - B. Developing a mission statement
  - C. Inspecting the quality of outputs
  - D. Providing employees with feedback
97. An important aspect of the organizing function of management involves
- A. conducting performance reviews.
  - B. establishing levels of authority.
  - C. promoting employees.
  - D. motivating team members.
98. Burkhardt Manufacturing is implementing a new, company-wide computer system. Nadine is in the process of identifying the skills that will be needed to manage the information and maintain the various software applications. What function of management is Nadine focusing on?
- A. Planning
  - B. Controlling
  - C. Training
  - D. Staffing
99. A primary activity of the directing function of management is
- A. initiating action.
  - B. identifying skills.
  - C. evaluating performance.
  - D. establishing authority.
100. Inspecting raw materials before using them to produce finished goods is an example of \_\_\_\_\_ control.
- A. feedback
  - B. concurrent
  - C. feedforward
  - D. standard

1. C

Administrative. Administrative law deals with the rules and regulations that have been established by governmental agencies. The legislative branch of the government (i.e., U.S. Congress and Canadian Parliament at the Federal level) establishes these agencies, which have the authority to enact and enforce regulations for various administrative functions, including aviation, taxation, and commerce. For example, in the United States, the Federal Aviation Administration (FAA) regulates air-transportation functions (i.e., airspace, aircraft safety); the Internal Revenue Service (IRS) handles issues related to personal and business taxes; and the Federal Commerce Commission (FCC) handles issues related to business and commerce. The legislative branch of government introduces and passes statutes. The judicial branch of government (court systems) interprets the law. The executive branch of the government guides government policy, and in some countries, has the power to veto legislation.

SOURCE: BL:074

SOURCE: Beatty, J. F., & Samuelson, S. S. (2008). *Essentials of business law* (3rd ed.) [pp. 88-90]. Mason, OH: Thomson/South-Western.

2. B

Follow the written directions in the proper sequence. The first step in applying written directions to perform tasks usually involves reading the directions. Employees need to understand the written directions before they can apply them. If employees do not read the directions and apply them in the proper sequence, they may perform the tasks incorrectly. Therefore, reading the directions for understanding and meaning is an important step. The use of shortcuts to complete a task may or may not be included in the manual's written directions.

SOURCE: CO:056

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [pp. 125, 134-135]. Mason, OH: Thomson South-Western.

3. B

Applauding. When the audience applauds or claps, it is showing that it supports what the speaker is saying. Applause encourages the speaker to continue expressing his/her thoughts. Heckling or making fun of someone is an action that indicates disapproval. When people ignore the speaker, they are not actively listening to the speaker and not indicating their support. If a person tolerates another individual's opinion, s/he does not necessarily agree with an opinion, but supports the individual's right to express that opinion.

SOURCE: CO:082

SOURCE: Bovée, C. L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 101]. Upper Saddle River, NJ: Pearson Prentice Hall.

4. C

Empathetic. Being empathic is acting according to an intellectual identification with the thoughts, feelings, values, attitudes, and/or actions of another person. It is often helpful to imagine yourself in your friend's place, to try to understand how s/he feels. By doing so, you often gain insight and can better help your friend by providing thoughtful advice. If you are too formal, judgmental, or businesslike with a friend, you may come across as uncaring, and you may offend your friend.

SOURCE: CO:084

SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [pp. 39-40]. Mason, OH: Thomson South-Western.

5. C

The data are too complex to describe in the body of the text. Tables present text or numbers in a grid format. The table allows readers to see groups of data together for comparison. Tables are also useful because they summarize data in an easy to read format. Tables present data (e.g., statistics) that may be too wordy or complex to describe in a paragraph format. Tables should appear in a document where they are most appropriate, which may be the body, conclusions, recommendations, or appendices. The inclusion of a bibliography is not a factor when determining if a table should be included in the document. The primary purpose of tables is to provide information, which may or may not build credibility and impress the audience.

SOURCE: CO:087

SOURCE: Bovée, C. L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 371]. Upper Saddle River, NJ: Pearson Prentice Hall.

6. A

Reading the text aloud. By reading the text aloud, Lana will not only see the text, she will hear it. By hearing the words, Lana can detect missing words and assess the clarity and sequence of the information. Reading text backwards helps detect misspelled words, punctuation errors, and some grammatical errors, but this activity does not help the editor clarify that content is logical and meaningful.

SOURCE: CO:089

SOURCE: Pantejo, C. (2007, October 4). *Four simple steps to effective editing and proofreading*. Retrieved February 16, 2010, from <http://www.articlesbase.com/writing-articles/four-simple-steps-to-effective-editing-and-proofreading-226584.html>

7. A

Recommendations. An analytical report is a document that explains and evaluates an issue, opportunity, or problem. A component of the analytical report is the recommendations section, which provides the reader with advice for resolving a problem or acting on an opportunity. The recommendations appear at the end of the report after background information, research, results, and facts have been presented. Writers should include logical arguments for analytical reports in which the topic is controversial, and the audience may disagree with some of the report's information. By providing logical arguments, the writer is more likely to persuade the audience to accept the conclusions. An analytical report may address external factors or the progress of an action, but including this type of information depends on the nature of the report's topic.

SOURCE: CO:185

SOURCE: Bovée, C. L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 410-412]. Upper Saddle River, NJ: Pearson Prentice Hall.

8. C

Due diligence. An analytical report provides evaluative information about a problem, opportunity, or previous action. Merging with another company is a major change for a business; therefore, it is important to analyze the advantages, disadvantages, strengths, and weaknesses associated with the potential merger by summarizing information in an analytical report. Reports that address financial issues associated with a certain course of action, such as a merger, are called due diligence reports. A market analysis summarizes information about a segment of the population. Troubleshooting analyses provide guidance for solving problems with a product or process. A justification report provides information that supports or justifies a previous course of action.

SOURCE: CO:185

SOURCE: Bovée, C. L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 407]. Upper Saddle River, NJ: Pearson Prentice Hall.

9. D

Methodology. A research report is a written document that summarizes an investigation related to a particular issue or problem. The methodology section of the report outlines the research plan. It appears in the middle of the report and discusses the types of research tools used and why they were selected. The results section reports the research findings. The recommendations section is the proposed course of action, which is considered the research results. The recommendations section is the last component presented in the report. The introduction appears at the beginning of the report and discusses the purpose and significance of the research project.

SOURCE: CO:186

SOURCE: Walonick, D. (2005). *Elements of a research proposal and report*. Retrieved March 9, 2010, from <http://www.statpac.com/research-papers/research-proposal.htm>

10. D

Patient, flexible and empathetic. So that businesspeople don't do something that will offend their clients, they should adapt their communication styles with clients from different cultures. To develop positive relationships with international clients, businesspeople should try to learn as much as they can about their clients' cultures, customs, and social values. Adapting communication styles requires businesspeople to be patient, flexible, empathetic, respectful, confident (but not overly so), honest (transparent), and sensitive to their clients' cultures and customs. Projecting biased, demanding, manipulative, or indifferent attitudes may offend the clients.

SOURCE: CR:019

SOURCE: Buckler, C., & Moore, K. (n.d.). *Module 3: Cross-cultural communication*. Retrieved February 4, 2010, from [http://www.ookpik.org/pdf/cross\\_cultural\\_coms.pdf](http://www.ookpik.org/pdf/cross_cultural_coms.pdf)

11. D

Selling customer lists without the customers' consent to third parties. It is unethical for a business to sell its customers' information to third parties without the customers' permission because it is a breach of privacy. When privacy is breached, trust is broken, and customers may defect to the business's competitors. Implementing a frequent-buyers program, collecting information with authorization, and allowing customers to opt-out of e-mail updates are ethical actions.

SOURCE: CR:017

SOURCE: Peppers, D. & Rogers, M. (2004). *Managing customer relationships: A strategic framework* (p. 237). Hoboken, NJ: John Wiley & Sons, Inc.

12. D

Installation. An installation is a high-cost, long-lasting industrial good that is used to produce other goods and services. Installations affect the amount of goods and services that a producer can make. A production-line conveyer belt is a high cost, long-lasting item that manufacturers use in the production of goods and services. Parts are industrial goods that become part of a finished good without additional processing (e.g., bolt). Staple goods are frequently purchased goods that businesses keep on hand continuously because the demand for them is constant. As an intangible product, a service is an activity that is performed by others for money.

SOURCE: EC:002

SOURCE: EC LAP 10—Get the Goods on Goods and Services (Economic Goods and Services)

13. C

Small, close. Control is an aspect of the management function that involves monitoring the work effort. The manager's span of control is the range of employees who report to the manager. If a manager has few employees to supervise, then s/he has a small span of control, which allows more time to closely monitor the employees. If the span of control is large or broad, then the manager has several employees to supervise, which limits the amount of time that the manager has to monitor the employees' activities. A large span of control works best when the employees are familiar with their jobs, and they work well independently.

SOURCE: EC:103

SOURCE: Griffin, R.W., & Moorhead, G. (2010). *Organizational behavior: Managing people and organizations* (9th ed.) [pp. 414-416]. Mason, OH: South-Western Cengage Learning.

14. B  
Conflict of interest. A conflict of interest exists when a situation presents an opportunity for personal gain, but compromises the best interests of the overall business. For example, if a buyer accepts an expensive gift from a prospective vendor, and then provides the vendor with a sizable order or a long-term contract, a conflict of interest may exist. Many businesses implement policies that address potential conflicts of interest. For example, a business may implement a zero-tolerance gift policy, which involves reprimanding employees who accept or receive gifts. Exhibiting responsible behavior and showing concern for customers are ethical actions.  
SOURCE: EC:106  
SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [p. 67]. Upper Saddle River, NJ: Pearson Prentice Hall.
15. B  
Increases, increase. Interest is the reward or cost of lending or borrowing money, and this amount is usually figured as a percentage of the amount of money borrowed. The interest rate is the percentage figure used to calculate interest. Many factors affect interest rates, including government policies and the business cycle. The nation's rate of inflation, which is how quickly prices are rising in the marketplace, can affect interest rates. When the inflation rate increases rapidly, the interest rates also increase. This occurs because there is less money available for financial institutions to loan to individuals and businesses. When the inflation rate levels off, prices tend to stabilize, and in some situations, prices may decrease.  
SOURCE: EC:084  
SOURCE: Financial Web. (n.d.). *Factors that affect interest rates*. Retrieved March 1, 2010, from <http://www.finweb.com/banking-credit/factors-influencing-interest-rates.html>
16. D  
\$276.82. Most countries have their own currency. A country's currency value changes in relation to other countries' currency values. Businesses monitor these changes because dramatic changes in currency values can affect their profits. To calculate the amount that you would pay in Canadian dollars, multiply the printer price in U.S. dollars by the value of the Canadian dollar ( $\$265.00 \times 1.04460 = \$276.819$  or \$276.82).  
SOURCE: EC:100  
SOURCE: XE. (2010). *Universal currency converter*. Retrieved March 1, 2010, from <http://www.xe.com/ucc/convert.cgi?Amount=265.00&From=USD&To=CAD&x=57&y=16>
17. D  
Gift-giving is often discouraged because it may be viewed as bribery. Gift-giving practices vary greatly among countries. In some countries, it is customary, or expected to give gifts in business situations. In the United States, many businesses limit or prohibit gift giving/receiving because it may be viewed as bribery, which is an illegal activity under certain circumstances. American businesspeople do not expect gifts. Flowers and plants are appropriate gifts, if the company allows employees to accept gifts. It is not an American custom to give gifts only to the president or CEO of a company.  
SOURCE: EC:130  
SOURCE: InternationalBusinessCenter.org. (1998-2008). *United States: Behavior*. Retrieved March 8, 2010, from <http://www.cyborlink.com/besite/us.htm>
18. B  
Rarely maintain eye contact when conversing with others. Acceptable nonverbal behavior varies by country. For example, British people don't usually maintain ongoing eye contact while speaking. They consider it rude to look at people for long periods of time. However, in the United States, maintaining eye contact is a positive behavior because it indicates self-confidence and interest in the conversation. The British tend to be more formal in business situations, and they like a wide range of space. They tend to shake hands as a greeting rather than embrace and kiss. Crossing arms often indicates discomfort or disagreement with a statement.  
SOURCE: EC:131  
SOURCE: InternationalBusinessCenter.org. (1998-2007). *Great Britain: Communications*. Retrieved March 8, 2010, from [http://www.cyborlink.com/besite/united\\_kingdom.htm](http://www.cyborlink.com/besite/united_kingdom.htm)

19. C

Hello, Professor. Titles are very important in Latin American culture, and foreign businesspeople should acknowledge those titles and positions within their society. For example, when greeting a teacher, it is courteous to call him/her professor without the person's surname. An architect is greeted as "Arquitecto," and an engineer is greeted as "Ingeniero." Men without professional titles are addressed as "Don" followed by their first names, and women without professional titles are addressed as "Dona" followed by their first names. It is not customary to greet Costa Ricans by using their full names. Senora is the Spanish title for a married woman.

SOURCE: EC:132

SOURCE: InternationalBusinessCenter.org. (1998-2008). *Costa Rica: Communications*. Retrieved March 8, 2010, from [http://www.cyborlink.com/besite/costa\\_rica.htm](http://www.cyborlink.com/besite/costa_rica.htm)

20. D

It is customary for Guatemalans to begin with social talk before addressing business issues. Establishing personal relationships and understanding their business partners is important to Guatemalan businesspeople. Therefore, it is customary for Guatemalans to engage in light social talk before getting down to business matters. Speaking loudly is impolite to Guatemalans. Social discussions should consist of light subjects such as Guatemalan geography or culture. Avoid political debates with Guatemalans, as the country has experienced political unrest in recent years.

SOURCE: EC:132

SOURCE: InternationalBusinessCenter.org. (1998-2008). *Guatemala: Communications*. Retrieved March 8, 2010, from <http://www.cyborlink.com/besite/guatemala.htm>

21. D

Different cultures associate different meanings with color. Different cultures attach different associations to different colors. Therefore, it is important for businesspeople to know and understand these differences when conducting business in other countries. Nicole likely has positive associations with the color white, such as pure, clean, angels, brides, etc. However, Japanese people have negative associations with white because it symbolizes death and dying. After adding a red ribbon to the package, it's no wonder that Mr. and Mrs. Fukushima were confused, as red signifies luck to the Japanese people. Loosely interpreted, the gift wrapping indicates that Nicole is wishing them luck when they die. Because red is a bright color that has positive associations with it, one cannot assume that Japanese people prefer dark colors. In fact, the Japanese associate cheapness or low quality with the color gray.

SOURCE: EC:133

SOURCE: InternationalBusinessCenter.org. (1998-2008). *Japan: Communications*. Retrieved March 8, 2010, from <http://www.cyborlink.com/besite/japan.htm>

22. B

Arrive at meetings on time. Punctuality relates to timeliness. People who arrive at a specific destination when they are supposed to be there are punctual. In many cultures, it is considered rude to arrive too early or arrive late. It indicates a lack of consideration or importance to the other party and may make or break a business deal. On the other hand, some cultures view the concept of time differently. A businessperson might keep a client waiting because s/he wants to finish a task so that the client has his/her undivided attention. Therefore, it is important to understand how foreign businesspeople view the concept of time. Because punctuality is important to Taiwanese people, visitors should strive to arrive on time to avoid offending them. Standing proximity is a spatial issue that varies among cultures. Bowing is a greeting that is used in some cultures.

SOURCE: EC:133

SOURCE: InternationalBusinessCenter.org. (1998-2007). *Taiwan: Communications*. Retrieved March 9, 2010, from <http://www.cyborlink.com/besite/taiwan.htm>

23. D

Visitors should dress conservatively. Standards for appropriate dress vary by culture. In Saudi Arabia, it is offensive to display bare shoulders, the stomach, calves, and thighs. Therefore, to project the proper image and not offend Saudi Arabians, foreign businesspeople should wear conservative clothing that covers most of the body. Silence during meetings and handshakes are communication and behavioral considerations. Discussing wives and daughters is a communication issue related to gender.

SOURCE: EC:134

SOURCE: InternationalBusinessCenter.org. (1998-2007). *Saudi Arabia: Behavior*. Retrieved March 23, 2010, from <http://www.cyborlink.com/besite/saudi-arabia.htm>

24. C

Dietary habits. When planning a meal for foreign businesspeople, it is important to consider their dietary habits. In India, religious customs prohibit Hindus from eating beef and Muslims from eating pork. Some religious customs prohibit followers from eating dairy products and certain types of vegetables. To respect the religious practices of other cultures, it is important for Hilda to develop a menu that accommodates her Indian guests. Seating preferences, table manners, and physical differences are not relevant factors when planning an appropriate menu.

SOURCE: EC:135

SOURCE: Shuka, M. (2006, December 5). *India: Prosperous entertaining - part I*. Retrieved March 23, 2010, from [http://www.executiveplanet.com/index.php?title=India:\\_Prosperous\\_Entertaining\\_-\\_Part\\_1](http://www.executiveplanet.com/index.php?title=India:_Prosperous_Entertaining_-_Part_1)

25. B

Cynthia admitted to her supervisor about the billing mistake that she made on the Andrew's account. When you are willing to accept the consequences (good and bad) of your behavior, which is based on the decisions you make, you are taking responsibility for your actions. Because Cynthia admitted that she had made a billing mistake, she is accepting the responsibility for her behavior. Taking responsibility for your actions often involves admitting and learning from your mistakes and trying to do better in the future. Emily was not being honest and accepting responsibility for leaving the door unlocked when she didn't tell her supervisor about her mistake. When you blame others for your actions, you are not accepting responsibility for your behavior, which is what Pete did when he complained about Brenda's carelessness in relation to the group's project report, and what Larry did when he required Bob to make a decision.

SOURCE: EI:075

SOURCE: Payne, S. (n.d.). *Accepting responsibility for your own work*. Retrieved March 8, 2010, from <http://www.helium.com/items/1587239-accepting-responsibility-for-your-own-work>

26. A

No. Joe would have only 30 minutes to meet with the vendor before he needs to return to the office. Managing work commitments in a timely manner involves allowing enough time to complete the most important tasks first. Joe had commitments that he needs to keep from 10 a.m. to 12 p.m. and at 2:00 p.m. Because the vendor asked Joe to meet at a restaurant that was 30 minutes away from his office, he doesn't have enough time to meet with the vendor for one hour at 1:00 p.m. If the vendor is not available at an earlier time at a closer location, Joe must decline the luncheon invitation and schedule it at a time that is more convenient for both of them. It's not unusual for last-minute meetings to take place, if other commitments are not an issue. Therefore, the vendor was not being rude by asking Joe if he had time to meet. There is not enough information to determine if Joe had the authority to reschedule the training session. Moving the lunch reservation to 12:45 p.m. would not help because Joe would be 15 minutes late to his training session.

SOURCE: EI:077

SOURCE: Time Management. (n.d.). *Manage your scheduling commitments—six effective guidelines to get things done (part 1)*. Retrieved March 12, 2010 <http://www.timemanagment.info/111/manage-your-time-scheduling-commitments-six-effective-guidelines-to-get-things-done/>

27. A

Manage your work commitments effectively. By planning ahead and determining how long it will take you to complete your tasks, you can better manage your commitments. Planning your work helps you to avoid scheduling too many activities that are close together, which may cause you problems in maintaining commitments. Planning your workload also reduces procrastination, which is putting tasks off until the last minute. Training and practice, rather than planning ahead, will help you to improve your technical skills. Planning ahead and estimating the time it will take to complete various tasks will not reduce your workload, but will help you work more efficiently.

SOURCE: EI:077

SOURCE: Time Management. (n.d.). *Manage your scheduling commitments—six effective guidelines to get things done (part 1)*. Retrieved March 12, 2010  
<http://www.timemanagment.info/111/manage-your-time-scheduling-commitments-six-effective-guidelines-to-get-things-done/>

28. C

Making concessions. Negotiation is the process of reaching an agreement with another party. In any negotiation, one person attempts to get another person to agree to a certain course of action to meet one person's needs or wants. Compromise occurs when an agreement is reached by giving up something in order to obtain something else. This process is making concessions. Angela is not avoiding conflict, being passive, or issuing ultimatums.

SOURCE: EI:062

SOURCE: EI LAP 8—Make It a Win-Win (Negotiation in Business)

29. D

Plan your work in advance. Stress is a mental, physical, or emotional feeling of pressure or tension. Ongoing stress can have a negative effect on an individual's productivity. People who procrastinate tend to place additional stress on themselves and others because they do not provide enough time to complete the work to the best of their abilities. As a result, work efforts are rushed, mistakes are made, conflicts occur, and the work quality is compromised. One way to reduce this source of stress is to plan your work well in advance. By doing so, you can leave enough time to address unexpected situations and complete quality work with fewer mistakes. Taking short breaks throughout the day, maintaining a healthy diet, exercising, and getting enough sleep are other ways that can help you effectively respond to stress. However, taking breaks every hour will reduce productivity. Personal tasks should be completed before work, after work, or during breaks.

SOURCE: EI:028

SOURCE: Help Guide. (2001-2009). *Stress at work: How to reduce and manage job and workplace stress*. Retrieved March 16, 2010, from  
[http://www.helpguide.org/mental/work\\_stress\\_management.htm](http://www.helpguide.org/mental/work_stress_management.htm)

30. C

Motivate team members. To motivate is to prompt another person to take some kind of action. There are many ways to motivate team members, one of which is by providing positive reinforcement. Simply saying, "Keep up the good work," is often enough motivation to keep team members on track and to let them know they are doing well. Team leaders do not use positive reinforcement techniques to develop schedules or to evaluate events. Team leaders should encourage teamwork and collaboration among team members rather than creating a competitive environment, which may result in conflict.

SOURCE: EI:059

SOURCE: Lee, S. (n.d.). *Ten ways leadership can motivate team building and performance*. Retrieved February 22, 2010, from  
<http://www.smallbusinessdelivered.com/tenwaysleadershipcanmotivateteambuildingandperformance.html>

31. D  
Permanent. A vision is the future you wish to create. Though visions often develop from abstract dreams, they must be achievable at some point in the future—they must be realistic. Realistic visions yield permanent (rather than conditional) results. The results achieved may impact individuals throughout their lives, as well as generations of people in the distant future. A realistic vision does not need to yield complex or noble results.  
SOURCE: EI:063  
SOURCE: QS LAP 11—Picture This! (Personal Vision)
32. C  
Collaborative. Collaboration involves working together in a cooperative manner. It relies on drawing from one another's knowledge and experience. A collaborative mindset requires the employees to work interdependently—to rely on each other to accomplish their mutual goals. Interdependence involves the employees' willingness to share ideas and do what is best for the company, rather than trying to achieve their personal agendas. Competitive, independent, and skeptical (distrustful) attitudes may hinder a group's ability to accomplish business goals.  
SOURCE: EI:061  
SOURCE: Griffin, R.W., & Moorhead, G. (2010). *Organizational behavior: Managing people and organizations* (9th ed.) [p. 389]. Mason, OH: South-Western Cengage Learning.
33. D  
Scarce resources. In organizations, political behavior or "politicking" is the process of gaining others' support of an idea or action for the purpose of professional gain. People exhibit political behavior in the workplace for a variety of reasons, such as advancing their careers, changing company policies, or obtaining scarce resources. In the example, Allison does not want to have her department's budget cut. A budget cut would mean less money flowing into the department, and money is a scarce resource. There is not enough information provided to determine if the department has technological needs, if Allison has unrealistic goals, or if Allison is trying to leverage the situation to advance her career.  
SOURCE: EI:034  
SOURCE: Griffin, R.W., & Moorhead, G. (2010). *Organizational behavior: Managing people and organizations* (9th ed.) [pp. 365-368]. Mason, OH: South-Western Cengage Learning.
34. A  
The balance of the loan owed. When the borrower does not have the collateral or credit history to obtain the loan, the lender often requests that another person co-sign for the loan. A co-signer is responsible for paying back the loan if the borrower does not. The co-signer is legally responsible for paying the balance of the loan owed, including interest and principle. If the original loan was \$5,000 plus interest, and the borrower defaulted after paying half of the loan, the co-signer would be responsible for paying the remaining half of the loan.  
SOURCE: FI:063  
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 181-182]. New York: McGraw-Hill Irwin.
35. D  
Collecting taxes. All levels of government collect taxes from individuals and businesses. The taxes are used to pay for different types of public services such as police protection, road repairs, and public education. Donations are given rather than mandated. Embargoes are actions that suspend trade with another country and are used for political reasons or during hostilities. Government policies are one of many factors that influence the ebb and flow of the business cycle; however, there are aspects of the business cycle that cannot be regulated.  
SOURCE: FI:067  
SOURCE: Lowe, R.E., Malouf, C.A., & Jacobson, A.R. (2003). *Consumer education & economics* (5th ed.) [pp. 141, 146]. New York: Glencoe/McGraw-Hill.

36. B

Credit report, credit bureau. Because businesses often base their decisions about extending credit or providing a loan on credit history, it is important for individuals and businesses to periodically check and ensure that their credit information is accurate. Credit history is provided in the form of a credit report. By reviewing the credit report, individuals and businesses can determine if there are any problems (e.g., identity theft) or discrepancies on the report that need resolved. Credit reports are available through recognized credit bureaus or agencies, which maintain files of credit information on individuals and businesses. Credit histories are not documented on bank statements, lending statements, or credit certificates. The primary purpose of financial institutions, tax agencies, and credit unions is not to maintain comprehensive credit histories for individuals and businesses.

SOURCE: FI:072

SOURCE: Credit.com. (1996-2010). *Credit report basics*. Retrieved March 2, 2010, from [http://www.credit.com/credit\\_information/credit\\_report/Credit-Report-Basics.jsp](http://www.credit.com/credit_information/credit_report/Credit-Report-Basics.jsp)

37. D

Ensure transparency. Governments require businesses to provide certain types of financial information to regulatory agencies and shareholders. The accounting function collects and records the financial information in the appropriate format. Transparency involves fully disclosing the required information so it is understandable to the intended audience. Governments do not regulate the ways in which businesses report financial data to reduce taxes or stimulate market growth. The consequences of incorrect information (e.g., fines) may reduce the risk of mistakes on the report, but the risk of mistakes cannot be eliminated.

SOURCE: FI:353

SOURCE: Zarb, B. (2008, November). *Do accounting regulation, transparency, and the propensity to bribe affect the perception of corruption in developed countries?* Retrieved March 2, 2010, from [http://findarticles.com/p/articles/mi\\_6765/is\\_4\\_8/ai\\_n31127187/](http://findarticles.com/p/articles/mi_6765/is_4_8/ai_n31127187/)

38. C

Censorship. Although collaboration and cooperation among individuals can be used to achieve a common goal, groupthink conditions can be detrimental to ethical decision making. Groupthink is an extreme form of cohesiveness in which all members of the group strive for unanimity (harmony) at any cost. This condition stifles independent thinking and objectivity. Group members who question another member's idea or action may be censored or cut off by the group majority. In addition, individuals begin to self-censor, which means they quiet their own conflicting thoughts for the "good of the group." Groupthink can erode personal ethics and lead group members to do things they normally wouldn't do. In today's competitive business environment, the pressure to earn high profits has often resulted in fraudulent behavior, embezzlement, money laundering, etc. Such actions are often a result of groupthink conditions. Empathy is the ability to place oneself in another person's place or circumstances. Empathy is not a characteristic of groupthink, which embraces harmonious or like-minded thinking.

SOURCE: FI:355

SOURCE: Griffin, R.W., & Moorhead, G. (2010). *Organizational behavior: Managing people and organizations* (9th ed.) [pp. 239-242]. Mason, OH: South-Western Cengage Learning.

39. A

Orientation sessions. An orientation program makes new employees feel welcome, gives them a general overview of the business, and helps to motivate them to do their best. Orientation sessions often include activities such as reviewing general company policies and compensation, describing training programs, providing a tour of the facilities, and introducing the new employees to their coworkers. Performance evaluations, application screenings, and financial seminars are not activities that help new employees become familiar with their new business environment.

SOURCE: HR:360

SOURCE: Mathis, R.L., & Jackson, J.H. (2002). *Human resource management: Essential perspectives* (2nd ed.) [pp. 286-288]. Cincinnati: Thomson/South-Western.

40. B

Explicit knowledge. Explicit knowledge is knowledge or information consisting of words, numbers, codes, processes, and formulas that are easily stored, shared, and quantified (measured). The president of the company was communicating specific, measurable, numerical data. Tacit knowledge is knowledge consisting of personal opinions, experiences, expertise, or understanding that is not easily articulated, stored, or quantified. Speculation is hearsay or rumor.

SOURCE: KM:001

SOURCE: The OR Society. (2003). *Explicit and tactic knowledge*. Retrieved March 11, 2010 from [http://www.orsoc.org.uk/about/topic/projects/kmwebfiles/explicit\\_and\\_tacit.htm](http://www.orsoc.org.uk/about/topic/projects/kmwebfiles/explicit_and_tacit.htm)

41. B

Low efficiency. Tacit knowledge is knowledge consisting of personal opinions, experiences, expertise, or understanding that is not easily articulated, stored, or quantified. Tacit knowledge is often acquired by trial and error, which occurs by repeating tasks and activities over time. When an employee devises effective shortcuts or techniques that increase personal productivity, the employee has tacit knowledge. When employees are unwilling to share tacit knowledge that will improve efficiency levels, it takes longer for the company to achieve its goals. Employees who share tacit knowledge may improve the business's efficiency and create a more open and cohesive work environment, which will reduce the competitiveness among employees.

SOURCE: KM:002

SOURCE: Land, F., Urooj, A., & Nolas, S. (2007). *The ethics of knowledge management*. Retrieved March 15, 2010, from [http://www.infosci-journals.com/downloadPDF/pdf/ITJ3515\\_RW8B0dOfQ0.pdf](http://www.infosci-journals.com/downloadPDF/pdf/ITJ3515_RW8B0dOfQ0.pdf)

42. B

Inevitable disclosure. The concept of inevitable disclosure suggests that workers are likely to intentionally or unintentionally share their current employers' trade secrets with future employers. Although most jurisdictions have regulations that acknowledge and protect trade secrets, the treatment of inevitable disclosure cases varies. Some jurisdictions do not support non-compete clauses as a way to limit trade-secret disclosure because these types of agreements inhibit a worker's right to seek employment. These jurisdictions view the sharing of knowledge as an inevitable occurrence, which may occur unintentionally. The situation does not illustrate limited confidentiality, competitive obstruction, or trade-character infringement.

SOURCE: KM:002

SOURCE: Nolo.com. (2010). *Trade secret basics: The "inevitable disclosure" doctrine*. Retrieved March 15, 2010, from <http://www.nolo.com/legal-encyclopedia/faqEditorial-29099-5.html;jsessionid=0CA3A53C1CD091702FE3EDB70B029985.jvm1>

43. A

Message boards. A message board is a page on a web site that allows computer users to ask questions and post responses to the questions. Message boards allow customers and employees to share information to solve problems, which may or may not contain interesting content. Meta tags are Hypertext Markup Language (HTML) codes that display information about web pages. Bots are computer programs that scan the WWW to find computer-program updates.

SOURCE: KM:003

SOURCE: CHSRF. (2008, January). *A handbook on knowledge sharing: Strategies and recommendations for researchers, policymakers, and service providers. Insight and Action. Volume 28*. Retrieved March 15, 2010, from [http://www.chsrf.ca/other\\_documents/insight\\_action/html/ia28\\_e.php](http://www.chsrf.ca/other_documents/insight_action/html/ia28_e.php)

44. D  
Relational database. A relational database contains various types of data that are organized in tables. By setting a query, the categories of information can be linked together in a variety of combinations to obtain the desired output. The categories might contain data such as the customers' names, addresses, phone numbers, order dates, payment dates, etc. For example, a business might want to know which customers have overdue accounts within a certain time frame, such as 60 days. By setting a query, the business can retrieve the data in a report, which it can use to follow up with the customers. The same database may also contain sales information. The sales manager can set a query to obtain the names of the customers who have ordered a certain dollar-volume range (e.g., \$5,000 - \$10,000) within a certain period (e.g., September 1, 2009 - December 31, 2009). The sales manager can use the data to prepare forecasts, analyze customer buying habits, etc. Newsletters, instruction manuals, and microfilm are not technological tools that a business can use to store, update, and access various types of information  
SOURCE: KM:003  
SOURCE: Hair, J.F., Bush, R.P., & Ortinau, D.J. (2009). *Marketing research in a digital information environment* (4th ed.) [pp. 95-96]. New York: McGraw-Hill Irwin.
45. B  
Protect its trade secrets. A nondisclosure agreement is a contract between an employer and an employee that states that the employee will not reveal the employer's trade secrets (e.g., formula, recipe, manufacturing technique) to future employers for whom the employee might work. Nondisclosure agreements provide the business legal recourse if a competitor attempts to use the information for financial gain or benefit. Businesses do not ask their employees to sign a nondisclosure agreement to avoid discrimination lawsuits, ensure their employees' privacy, or prevent copyright infringement. Copyright infringement involves the unauthorized use of written or artistic works.  
SOURCE: KM:004  
SOURCE: Nolo. (2010). *Trade secret basics faq: How can a business protect its trade secrets?* Retrieved March 15, 2010, from <http://www.nolo.com/article.cfm/pg/4/objectId/90781CA8-0ECE-4E38-BF9E29F7A6DA5830/catId/1FBE2D95-203C-4D38-90A2A9A60C6FD618/310/119/FAQ/>
46. D  
Hierarchical information. A hierarchy arrangement sets information in a certain order, rank, or level. The laddering technique is a tool that helps an organization to capture information and categorize it into a meaningful and useful order. The business can obtain information by collecting tacit knowledge from internal and external sources. The laddering technique, which can be implemented manually or with a computer program, can help a business organize the steps necessary to complete a certain activity or process. By doing so, the business might discover ways in which it can change the ordering system to increase efficiency, such as eliminating an unnecessary task or a task that is being performed twice. Horizontal communication occurs among individuals at the same level, such as coworkers.  
SOURCE: KM:005  
SOURCE: Milton, N. (2003, November 20). *Knowledge acquisition: Laddering techniques*. Retrieved March 15, 2010, from <http://www.epistemics.co.uk/Notes/178-0-0.htm>
47. D  
Product/service management. Product/service management involves obtaining, developing, maintaining, and improving a product mix in response to market opportunities. Product packaging is an element of product/service management. Selling is determining consumer needs and wants through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Marketing-information management is a marketing function, which involves gathering, accessing, synthesizing, evaluating, and disseminating information for use in making business decisions such as what and how much it can expect to sell. Pricing involves determining and adjusting prices to maximize return and meet customers' perceptions of value.  
SOURCE: MK:002  
SOURCE: MK LAP 1—Work the Big Six (Marketing Functions)

48. A  
Request for proposal. Complex projects often require the expertise of external resources. Building a new facility requires skills from architects, construction companies, electricians, etc. And because these types of projects are expensive, companies want to obtain bids from the potential vendors or contractors to determine which one is best suited to perform the work. A request for proposal (RFP) is an invitation for potential vendors to present bids to obtain a contract and perform the work. Because the work is complex, the RFP must include specific information and provide detailed instructions about the way the proposal should be written. Often, an RFP will require potential vendors to provide a summary of qualifications as a section of the proposal. A business plan is a company's blueprint for success—its business model. An executive summary is an element of a business plan and provides an overview of the most important information.  
SOURCE: NF:080  
SOURCE: Bovée, C. L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 413-414]. Upper Saddle River, NJ: Pearson Prentice Hall.
49. D  
False. It is unethical to distribute customers' personal information without their permission to third parties. Businesses collect and maintain information about their customers, employees, products, and vendors. Governments require businesses to maintain certain types of information to be in compliance. Some information, such as customer credit-card account numbers and health information, are confidential, so the business should take steps to secure the information. Distributing customer information (e.g., mailing lists) without their consent to third parties is not ethical behavior and is illegal in many jurisdictions. Trade agreements are agreements between nations that provide for favorable trade relations. Trade agreements do not allow businesses to sell customers' personal information. Antitrust laws are regulations that prevent a person or company from taking actions that restrain free trade and competition in the marketplace.  
SOURCE: NF:111  
SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 152, 375, 403]. Upper Saddle River, NJ: Pearson Prentice Hall.
50. D  
Information security. Businesses often maintain personal information about their customers, such as credit-card numbers, bank-account numbers, and account passwords. Businesses must take reasonable care to protect and secure their customers' personal information to reduce the risk of fraudulent behavior, such as computer hacking and identity theft. Businesses should develop policies about removing digital information from their facilities. A patent provides legal protection to the owners of inventions. The customers' privacy, rather than employees' privacy, has been compromised in the presented situation. There is no indication that data entry problems exist with the information provided.  
SOURCE: NF:076  
SOURCE: The Associated Press. (2007, July 12). *Ohio: Stolen device contains 859,800 ids*. Retrieved March 3, 2010, from <http://www.msnbc.msn.com/id/19724250/>
51. A  
Internet. The Internet is a worldwide network of computers that enables users to access information and communicate with others. The Internet provides businesses with the ability to post a lot of information (e.g., product information) in a cost effective way. The Internet also provides consumers with the ability to obtain a lot of product information from a central location at their convenience. Many web sites have employees who answer customers' questions in real time through chat-room and text-messaging capabilities. High definition television (HDTV) and satellite radio are forms of media that communicate information; however, they are expensive forms of media, and are limited in scope, depth of information, and interactivity. Scanners are electronic tools that transmit paper copies of text and graphics into a computer.  
SOURCE: NF:086  
SOURCE: Roberts, M. (2008). *Internet marketing: Integrating online and offline strategies* (2nd ed.) [pp. 10-12]. Mason, OH: Cengage Learning.

52. C

Corporate-level. Large businesses often have many projects occurring at the same time. In some situations, different projects need to access the same data. Corporate-level project-management software is a powerful tool because it provides the ability to track hundreds of tasks and several projects at one time. Corporate-level project-management software typically provides cost accounting, resource leveling, "what-if" analyses, charting, and reporting capabilities. Some corporate-level software programs allow businesses to select other software options to accommodate their specific needs. Single-project programs are used for individual (single) projects. Scheduling software has fewer options than corporate-level programs, and contains primarily scheduling, Gantt charts, and presentation capabilities. Costing is a software capability rather than a type of project-management software program.

SOURCE: NF:130

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 371-375]. New York: Penguin Group.

53. C

Enhances collaboration efforts. Project-management software allows businesses to plan, track, and evaluate all aspects of a project. Project-management software is available to accommodate different types of projects, from simple, individual projects to multiple, complex projects. Complex projects often involve several hundred tasks being performed by dozens of people. Often, team members need to access the same information to perform their project tasks. Programs that are designed to allow multiple users to access project data enhance the team's ability to collaborate and share project information from a variety of locations. Allowing several team members to access project-management data does not reduce the need to secure the data, ensure data accuracy, or eliminate the need to analyze variances.

SOURCE: NF:130

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 367, 370]. New York: Penguin Group.

54. B

A manufacturer can produce custom orders without decreasing efficiency. Operations management refers to the systematic design, direction, and control of processes that transform inputs into services and products for internal and external customers. Manufacturing a custom product efficiently is an example of new technology transforming inputs into a product. A 3-D commercial is an example of a marketing benefit created by using new technology. The software upgrade has an impact on the accounting function, not operations management. Scanning resumes is an advantage for human resources, not operations management.

SOURCE: OP:191

SOURCE: Krajewski, L.J., Ritzman, L.P., & Malhotra, M.K. (2007). *Operations management: Processes and value chains* (8<sup>th</sup> ed.) [pp. 4-5]. Upper Saddle River, NJ: Pearson Education.

55. C

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

SOURCE: OP:339

SOURCE: Maryland Department of Labor, Licensing, and Regulation. (2010, January 22). *Safety inspections-elevator and escalator safety inspections*. Retrieved March 13, 2010, from <http://www.dllr.state.md.us/labor/elev.html>

56. A  
Preventive maintenance. Preventive maintenance keeps equipment working and potentially expands the life of the equipment. It “prevents” breakdowns. Installation puts equipment into use. Safety precautions are methods of using equipment to ensure the safety of workers. Corrective maintenance is done to repair a specific problem.  
SOURCE: OP:006  
SOURCE: Maintenance World.com. (n.d.) *Preventive maintenance*. Retrieved March 4, 2010, from <http://www.maintenanceworld.com/preventive-maintenance.htm>
57. A  
Prepare and place the order; complete the PowerPoint presentation; develop the production schedule. Prioritizing involves ranking things in the order of their relative importance. Employees consider many factors when they prioritize their work, such as deadlines and the time it will take to complete each task. The first task that Randy should do is to place the order because this is the tightest deadline, and it will not take him very long to complete. The next deadline he has is to complete the PowerPoint presentation for today's meeting at 4:00. If he begins working on the PowerPoint at 1:00 p.m., he should be done with it by 3:00 p.m., which is an hour before the meeting. The last task on Randy's priority list is the production schedule because it is due the next day. Randy will need to make sure that he arrives at work early enough to finish the schedule in three hours. If Randy followed the sequence of the other options listed, he would not complete all of the work by their deadlines.  
SOURCE: OP:228  
SOURCE: eHow.com. (n.d.). *How to prioritize at work*. Retrieved March 9, 2010, from [http://www.ehow.com/how\\_2293060\\_prioritize-work.html](http://www.ehow.com/how_2293060_prioritize-work.html)
58. A  
Order of their importance. Prioritizing involves ranking things in the order of their relative importance. Individuals evaluate many factors when prioritizing their work, including due dates and the time that it will take to complete a task. Categorizing tasks in alphabetical or numerical order are not effective ways to prioritize tasks. Sometimes, the most difficult or unpleasant tasks are the most important to complete; therefore, prioritizing work in relation to the level of enjoyment you have while performing the task is not an effective method to use to set priorities.  
SOURCE: OP:228  
SOURCE: Eruptingmind.com. (2010). *How do I prioritize?* Retrieved March 16, 2010, from <http://www.eruptingmind.com/how-do-i-prioritize/>
59. B  
Sequentially. Sequential order involves performing tasks in a logical order to achieve a desired outcome. In the workplace, it is important to coordinate tasks, especially when one employee must complete a task so another employee can perform the next task in the process that is needed to complete a required activity. In the example, each employee requires a coworker to complete a task so the next person can do his/her job; therefore, the work must be coordinated so it is performed in a certain sequence. If the employees are performing tasks simultaneously, they are doing the tasks at the same time. There is not enough information provided to determine if the tasks must be performed quickly. If the tasks are done in no particular order, they are being performed randomly.  
SOURCE: OP:230  
SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 110-111]. New York: Penguin Group.

60. C

Make the necessary changes to get the project back on track. An important aspect of controlling a project is monitoring tasks and processes. If something is causing a slowdown or problem, the project manager must take steps to resolve the issue and get the project back on track, so deadlines can be met. For complex projects, this may involve hiring a consultant or organizing an internal committee of team members to review the process and generate ideas and solutions for the problem. Getting the project back on track usually involves monitoring the team members on an ongoing basis; however, it is not always related to encouraging teamwork.

SOURCE: OP:340

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [p. 277]. New York: Penguin Group.

61. A

Company D. To calculate the highest score, multiply each score by its category's weight. For Company D, the calculation looks like this:  $(5 \times 0.4) + (5 \times 0.2) + (2 \times 0.3) + (4 \times 0.2) = 4.4$ . The other scores are Company A = 4.3; Company B = 4.3, and Company C = 3.6.

SOURCE: OP:160

SOURCE: Monczka, R., Trent, R., & Handfield, R. (2002). *Purchasing and supply chain management* (2<sup>nd</sup> ed.) [pp. 244-249]. Mason, OH: South-Western.

62. D

Easier to manage. It is easier to manage vendor relationships when a company works with a small group of vendors. When the company works with fewer vendors, it has more time to cultivate long-term relationships with each vendor. Long-term relationships benefit both the company and the vendor because both businesses are willing to share information; are understanding of each other's needs, expectations, and limitations; and are more willing to work together to resolve conflicts that might occur. Working with a few vendors does not always provide the business with a wider product selection. A disadvantage to working with a few vendors is that supply interruptions are more likely to affect the company because it may not have easy access to another source that sells similar goods or services.

SOURCE: OP:241

SOURCE: Krajewski, L.J., Ritzman, L.P., & Malhotra, M.K. (2007). *Operations management: Processes and value chains* (8th ed.) [pp. 390-391]. Upper Saddle River, NJ: Pearson Education.

63. B

Partnerships. A business that has a cooperative orientation is willing to work with its vendors to achieve their mutual goals. Having a cooperative orientation involves a willingness to share relevant information and being fair, trustworthy, and reliable. When these circumstances exist, the buyer-seller relationship is similar to a long-term partnership. Viewing vendors as obligations or rivals may create conflict rather than build positive working relationships.

SOURCE: OP:241

SOURCE: Krajewski, L.J., Ritzman, L.P., & Malhotra, M.K. (2007). *Operations management: Processes and value chains* (8th ed.) [pp. 390-391]. Upper Saddle River, NJ: Pearson Education.

64. C

Alan placed a large order on March 10 for a new video game that is to be released on June 1. An advance order is a regular order that is placed now with delivery requested at a future time (e.g., weeks, months). Because the item is new, Alan wants to make sure that he orders enough games to meet the anticipated demand upon its release date. Katherine placed a reorder, which is ordering items that have been previously ordered. Fred placed a special order, which is a request for a custom item that a vendor does not normally carry in stock. Lindsey placed a blanket order. A blanket order is an order that covers all or part of a retailer's seasonal requirements. Blanket orders typically are placed several months before the season, and do not contain detailed specifications or shipping dates.

SOURCE: OP:250

SOURCE: Cash, R. P., Thomas, C., Wingate, J. W., & Friedlander, J. S. (2006). *Management of retail buying* (p. 208). Hoboken, NJ: John Wiley & Sons.

65. C

Grain, minerals, leather, and oil. Businesses (e.g., manufacturers) usually maintain an inventory of items that they use to produce their goods. Grain, minerals, leather and petroleum are examples of products that a business might use to make cereal, jewelry, coats, and gasoline, respectively. Paper, bolts and leather may be classified as raw materials, if they are being used to produce finished goods. Ore is a mineral. Staplers, tables, and household cleansers are finished goods.

SOURCE: OP:336

SOURCE: Inman, R. (2009). *Inventory types*. Retrieved March 8, 2010, from <http://www.enotes.com/management-encyclopedia/inventory-types>

66. D

\$1,501.47. 5/10 net 30 means that the buyer will receive a 5% discount if the buyer pays within 10 days of the invoice date, and the entire invoice must be paid within 30 days. To calculate how much the restaurant supply company will owe if it pays within 10 days of the invoice date, first determine the discount amount in dollars. To obtain the discount amount in dollars, multiply the order amount by the discount percentage ( $\$1,580.50 \times .05$  or  $5\% = \$79.025$  or  $\$79.03$ ). Then, subtract the discount amount in dollars from the original order amount ( $\$1,580 - \$79.03 = \$1,501.47$ ).

SOURCE: OP:337

SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (p. 350). Woodland Hills, CA: Glencoe/McGraw-Hill.

67. A

Total quality management. TQM, the quality control technique created by W.E. Deming, consists of 14 points, two of which are listed in the question. Six Sigma is a system for reducing variation in processes using advanced statistical techniques. It seeks to reduce defect levels to 3.4 per million units produced or transactions processed. Lean operations is a series of mathematical and visual tools to streamline material and information flow. Continuous improvement is any ongoing effort to improve products, services or processes.

SOURCE: OP:163

SOURCE: ASQ. (n.d.). *Total quality management*. Retrieved March 4, 2010, from <http://www.asq.org/learn-about-quality/total-quality-management/overview/overview.html>

68. D

Have employees compete for the position of quality inspector. Creating a culture of quality involves asking all employees to be responsible for quality. Using quality inspectors moves the responsibility for quality away from each employee and onto the inspector. The remaining answers could be used to involve employees in improving quality. When employees identify internal customers, they recognize that these customers need to receive good quality work from them in order to do their job. Empowering employees to “stop the line” to fix a defect stops defective parts from continuing through the manufacturing process. Quality-focused teams encourage employees to work together to improve quality.

SOURCE: OP:164

SOURCE: Krajewski, L.J., Ritzman, L.P., & Malhotra, M.K. (2007). *Operations management: Processes and value chains* (8<sup>th</sup> ed.) [pp. 210-211]. Upper Saddle River, NJ: Pearson Education.

69. D

Polly reviews several companies' pay scales to determine if the pay range for the firm's marketing director is appropriate. Business analysis is the process of investigating and evaluating a business issue, problem, process, or approach. Businesses analyze a variety of areas that affect their operations, including activities that relate to the human-resources management function. Because the human-resources management function is responsible for finding and hiring skilled workers, it must determine the appropriate pay for those workers, which can be done by reviewing external data gathered from government and industry reports. Information can also be obtained by reviewing other companies' job postings and pay scales, if available. Calculating break-even points is a pricing activity. Gathering vendor quotes is a purchasing activity. Evaluating survey responses is a marketing-research activity.

SOURCE: OP:327

SOURCE: B2T Training. (2009). *Essential skills for business analysis*. Retrieved March 15, 2010, from <http://www.b2ttraining.com/curriculum/training-program/Business-Analyst-Skills/>

70. A

Detect trends. Business analysis is the process of investigating and evaluating a business issue, problem, process, or approach. Businesses analyze financial data to evaluate the financial well-being of their operations at any given time. By comparing the same type of financial information from different consecutive time periods, a business can detect trends. By detecting trends, the business can determine if it needs to make changes. For example, if the business notices a substantial increase in sales-dollar volume over a three-month period, trends indicate an increase in spending. The business may decide to conduct further analysis to determine what customers are purchasing, and decide if it needs to increase the production or inventory-levels of certain products. Businesses analyze markets for many reasons, but they cannot control market activity. To analyze its competitors, a business needs to obtain and review external data. Comparing internal financial data cannot influence buying behavior.

SOURCE: OP:327

SOURCE: B2T Training. (2009). *Essential skills for business analysis*. Retrieved March 15, 2010, from <http://www.b2ttraining.com/curriculum/training-program/Business-Analyst-Skills/>

71. A

Windows computer operating system. Paradigm innovation takes place when the entire perception of a product, company, or industry takes place. The Windows computer operating system revolutionized the way people input, transfer, share, and export information through personal and networked computers. Businesses worldwide use the Windows operating system. Energy-saving light bulbs, the latest model of the Honda Civic, and rechargeable batteries are examples of product innovation. Product innovation takes place when a company creates a new product or redesigns an existing product.

SOURCE: PD:126

SOURCE: Bishop, K. (2007). *Types of innovation*. Retrieved January 11, 2010, from <http://ezinearticles.com/?Types-of-Innovation&id=38384>

72. A

After her supervisor ends the call, ask her to clarify the instructions. It is always best to get clarification straight from the source of the information. Most supervisors will appreciate an employee who knows how to collect facts and then do a job well instead of an employee who guesses and then wastes time completing the wrong thing. Asking a coworker may lead to an incorrect guess as well. Proceeding without clarification may lead to time and effort wasted. Working on something else means that Tonia ignored her supervisor's wishes for the tasks to be done today.

SOURCE: PD:020

SOURCE: Ludden, L.V. (2003). *Job savvy: How to be a success at work* (3<sup>rd</sup> ed.) [pp. 111-114]. Indianapolis: JIST Publishing.

73. A

Accessing online employment services. Online employment services such as Careerbuilder.com and Monster.com provide information about a variety of careers and industries. Employment-services web sites provide information about the skills and education needed to perform certain jobs as well as the pay ranges for those jobs. Many of these sites offer career planning quizzes that help individuals determine the types of careers that they may be best suited for. Joining social organizations, completing job applications, and reading virtual textbooks are not the best ways in which people obtain information about a variety of career fields and options.

SOURCE: PD:022

SOURCE: Monster.com. (2010). *Research careers*. Retrieved February 2, 2010, from <http://my.monster.com/Job-Profiles/GetProfile.aspx>

74. C

Yes, it is important to learn about many careers before selecting one. Even if Laney thinks she knows what she wants to do, she may find she has interests in careers she didn't even know existed. Career exploration will allow Laney to make an informed decision that may or may not result in becoming a singer. Learning about careers and pursuing her dreams are not necessarily mutually exclusive. Career exploration is simply research into careers, interests, and aptitudes. What she does with the research is up to her. Everyone needs to plan for their career. This doesn't mean things will go as planned, but putting together a plan will increase the odds of being successful.

SOURCE: PD:023

SOURCE: Jordan, A.K, & Whaley, L.T. (2003). *Discovering your career* (p. 103). Mason, OH: South-Western.

75. A

Career. A career describes a lifetime work history or long-term participation in a particular field of expertise. Louise has had a career in writing. A job is one specific paid position with tasks set by an employer, such as writing an advice column for a newspaper. Though Louise has held many jobs over her life, she is discussing a pattern of jobs and experience that have formed her career. An occupation is a group of related tasks that requires special training, education, or experience to learn a specific set of skills. Louise's occupation is writer, but the things she describes combine to form her career. If Louise were discussing her work environment, she would be discussing the surroundings and conditions of her workplace, such as a small home office.

SOURCE: PD:034

SOURCE: Jordan, A.K, & Whaley, L.T. (2003). *Discovering your career* (pp. 6, 27). Mason, OH: South-Western.

76. A

Rules of conduct. The rules of conduct outline a company's policies, procedures, and expectations regarding employees' behavior in the workplace. Employees must understand and follow the rules of conduct as outlined in the company's policies. Policies often address personal and professional courtesy expectations, confidential information, gift-giving/receiving, etc. These policies are often included in the employee handbook. Often, employers require employees to sign a document acknowledging that they have read and understand the rules of conduct. This document provides employers with legal recourse and protection if employees break company rules, behave unethically, or violate the law. Employment applications, certificate of authority, and statement of intent do not outline the employers' expectations of the employees.

SOURCE: PD:251

SOURCE: Legaldocs.com. (n.d.). *Employee rules of conduct: Example document*. Retrieved March 8, 2010, from <http://www.legaldocs.com/htsgif.d/xempl-ru.htm>

77. A

Todd. The chain of command defines the level of authority and the specific individual who supervises particular employees. Having a chain of command helps provide structure for businesses. Because Carrie is the shipping supervisor, she would report to Todd, who is the warehouse manager. Todd reports to Sharon, who is the vice president of distribution and holds the highest ranking position listed. Pamela is the lead shipping clerk, so she reports to the Carrie, who is the shipping supervisor. As a part-time shipping clerk, David reports to the lead shipping clerk, Pamela.

SOURCE: PD:252

SOURCE: Daft, R.L., & Marcic, D. (2001). *Understanding management* (3rd ed.) [pp. 224-227]. Cincinnati: Thomson/South-Western.

78. A

Board of directors. A corporation is a form of business ownership that is owned by stockholders who have purchased units or shares of the company. Corporations are governed by a board of directors, which consists of people, sometimes shareholders, who make decisions about the business's activities. The corporation's CEO directs the executive staff (e.g., chief financial officer, vice president of operations) to execute these decisions. Therefore, the CEO reports to the board of directors. The CEO is expected to follow government regulations, but does not report to regulatory agencies.

SOURCE: PD:252

SOURCE: McNamera, C. (n.d.). *Overview of roles and responsibilities of corporate board of directors*. Retrieved March 9, 2010, from <http://managementhelp.org/boards/brdrspon.htm>

79. B

Order. Organizational goals are the overall objectives or desired outcomes that the business wants to achieve. Order goals are those that are designed to control or prevent behavior that may have a negative effect on the business. For example, order goals address ethics and legal issues and expectations in the workplace. Product goals relate to the goods and services the business produces. Profit goals are related to pricing goals. Short-term goals are goals that take less than a year to achieve.

SOURCE: PD:254

SOURCE: Associated Content. (2008, October 3). *The nature of organizational goals*. Retrieved March 10, 2010, from [http://www.associatedcontent.com/article/1059363/the\\_nature\\_of\\_organizational\\_goals.html](http://www.associatedcontent.com/article/1059363/the_nature_of_organizational_goals.html)

80. B

Help the business achieve its organizational goals. A business must hire employees who have the skills to carry out the tasks that are needed to achieve its organizational goals. Without the appropriate skills, the business will not run efficiently and compete effectively in the marketplace, which is likely to result in financial losses. Hiring skilled employees will not help a business determine funding needs or analyze profit margins. Managers, rather than employees, set the business's organizational standards.

SOURCE: PD:255

SOURCE: Success Factors. (n.d.). *Goal management*. Retrieved March 11, 2010 from <http://www.successfactors.com/goal-management/small/>

81. D

Project deliverables. The statement of work (SOW) is a document that outlines the terms, commitments, and conditions of the project. It includes information about the project's activities, timelines, and deliverables. Deliverables are the goods, services, or documentation that will be provided to the stakeholder upon completion of the project—what the project will produce. The purpose statement defines the reason for the project. Schedule estimates approximate the timeliness of the workload throughout the project.

SOURCE: PJ:005

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 75-76]. New York: Penguin Group.

82. B

No. Package D does not meet the minimum requirement of taking eight hours to complete. A work breakdown structure (WBS) is the process of dividing project tasks into meaningful components to complete the project. Dividing the project into small work packages helps the project manager effectively schedule, assign, and monitor project activities. The 8/80 rule for dividing project work packages states that no package should take less than eight hours or more than 80 hours to complete. This rule intends to keep work packages in manageable units—not too small or too large. Because Kara allocated six hours to complete package D, she did not follow the 8/80 rule.

SOURCE: PJ:006

SOURCE: Gordon, A. (2009, November 26). *What is a work breakdown structure? (Part 1 of 3)*. Retrieved March 10, 2010, from <http://www.brighthub.com/office/project-management/articles/2645.aspx>

83. B

Technical. Effective project managers possess basic technical skills. Although many project managers don't perform the technical tasks that the team members do, they still need to understand the technical aspects of the project to answer questions, give directions, and solve problems. Interpersonal skills involve the ability to communicate, interact, and build relationships with team members. Persuasion is the ability to influence others' opinions or actions. Negotiation is the ability to reach an agreement with another party. Interpersonal, persuasive, and negotiation skills are very important skills for project managers to possess; however, these skills do not directly relate to understanding how team members actually perform their work.

SOURCE: PJ:007

SOURCE: Business Performance. (2003-2010). *Project team management*. Retrieved March 10, 2010, from [http://www.businessperform.com/project-management/project\\_team\\_management.html](http://www.businessperform.com/project-management/project_team_management.html)

84. A

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

SOURCE: PJ:007

SOURCE: Business Performance. (2003-2010). *Project team management*. Retrieved March 10, 2010, from [http://www.businessperform.com/project-management/project\\_team\\_management.html](http://www.businessperform.com/project-management/project_team_management.html)

85. B

Lessons learned document. Developed during the closing phase of the project, the "lessons-learned" document summarizes the project's successes and failures. The document also includes suggestions for improvement for similar projects in the future, such as the need for additional training and ongoing technical support. An executive summary is an overview of a report or plan. A termination checklist is a list of tasks that need to be done during the closing phase of a project. An expense audit involves reviewing and evaluating various project expenses.

SOURCE: PJ:008

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 334-337]. New York: Penguin Group.

86. D

A customer complains that her/his new cell-phone battery quit working after one week. Quality management is the coordination of resources to ensure the degree of excellence of a process, good, or service. If customers complain that goods are breaking or not working after a short period of time (e.g., cell phone batteries), there may be a product-durability problem. After a problem is detected, the business can determine why the problem is occurring and then take steps to fix the problem, which will restore or improve the quality of the product. Returning a sweater that is a wrong size, complaining about the way a steak has been prepared, and returning a software package because it does not work with a computer are examples of compatibility issues.

SOURCE: QM:001

SOURCE: Plaisted, R. (2008, February 23). *Product durability, do consumers care?* Retrieved March 12, 2010, from [http://www.organicconsumers.org/articles/article\\_10578.cfm](http://www.organicconsumers.org/articles/article_10578.cfm)

87. A

Quality improvement. Quality improvement involves using a systematic approach to increase the levels of excellence in relation to a process, good, or service. Taking action to create better-tasting water is improving the quality of the end product—water. Quality control is ensuring the degree of excellence of a good or service. After making the improvements, the company will need to ensure that its products meet the new standards of excellence by implementing different quality-control activities. Opportunity cost is the benefit that is lost when you decide to use scarce resources for one purpose rather than another. Market development is the activities that a business implements to increase its target market.

SOURCE: QM:001

SOURCE: BusinessDictionary.com. (2010). *Quality improvement*. Retrieved March 12, 2010, from <http://www.businessdictionary.com/definition/quality-improvement.html>

88. B

Lower costs. Quality management involves the coordination of resources to ensure the degree of excellence of a process, good, or service. Six Sigma is a quality-management framework that involves continuously setting higher goals of perfection. The Six Sigma framework builds upon previous goals to set higher goals in order to continuously improve the quality of the business's goods, services, or processes. The ultimate goal is to maximize outputs, have no process or product defects, and minimize production costs. Therefore, an important aspect of the Six Sigma philosophy is to continuously lower costs while improving quality. When quality improves, customer satisfaction tends to improve. To continuously improve, the business may determine that it needs to simplify activities, obtain better technology, or reevaluate its needs.

SOURCE: QM:002

SOURCE: iSixSigma. (n.d.). *Six sigma: What is six sigma?* Retrieved March 16, 2010, from [http://www.isixsigma.com/sixsigma/six\\_sigma.asp](http://www.isixsigma.com/sixsigma/six_sigma.asp)

89. A

Higher demand. Continuous improvement is an ongoing process that looks for ways to increase the levels of excellence in relation to a process, good, or service. Potential benefits of improved processes often increase the business's productivity levels. Increased productivity levels result in increased outputs, lower costs, and increased revenue. When quality improves, customer satisfaction levels often increase, which often results in a higher demand for the business's goods and services. A premium is an item that a business offers to the purchasers of a particular product. Offering premiums to customers and increasing product options do not impact the continuous quality improvement efforts of a business's products.

SOURCE: QM:003

SOURCE: Taylor, H. (n.d.). *Benefits of continuous quality improvement (CQI)*. Retrieved March 15, 2010, from [http://www.ehow.com/facts\\_5317408\\_benefits-continuous-quality-improvement-cqi.html](http://www.ehow.com/facts_5317408_benefits-continuous-quality-improvement-cqi.html)

90. B

Businesses that provide ethics-training programs can reduce the business's level of risk. By providing an ethics training program, the business can advise its employees about its expectations in relation to workplace behavior. Because an employee's personal ethics may differ from the organization's ethics, it is important for the employees to have a clear understanding of the business's expectations. When employees don't have a clear understanding of the business's expectations, they put the business at risk. Businesses cannot assume that employees know their expectations. Employees who do not follow the business's ethics guidelines may cross a legal line without knowing they have done so. If employees cross ethical lines and break the law, the business may experience fines and obtain unfavorable publicity. Management sets the tone for ethical behavior, so it is important that managers set a good example for employees by exhibiting a high standard of ethics. By behaving ethically, the business can protect its reputation with customers, vendors, and the community.

SOURCE: RM:041

SOURCE: Head, G. (2005, February). *Why link risk management and ethics?* Retrieved March 16, 2010 from <http://www.irmi.com/expert/articles/2005/head02.aspx>

91. C

Passwords. Businesses must take precautions to secure their confidential information. To reduce the risk of unauthorized access to confidential information, businesses often assign computer passwords to allow authorized employees to view secured information. This reduces the risk of confidential information getting into the wrong hands. Encryption, rather than decryption is a way to protect information. Encryption is the process of transforming information into a secret code so that unauthorized users are not able to read it. Groupware applications are software programs that allow several computer users to access the same information from different locations. Spooling is the process of transferring computer data to a temporary location so the data can be retrieved and processed through a different computer program.

SOURCE: RM:042

SOURCE: Dlabay, L.R., & Burrow, J.L. (2008). *Business finance* (pp. 358-359). South-Western Cengage Learning.

92. B

Government fines. Risk management is a business activity that involves the planning, controlling, preventing, and procedures to limit business losses. Compliance with the law is an important aspect of risk management. If a business does not comply with laws, the government may fine the business, which could result in substantial financial losses. A substantial financial loss can hinder the business's ability to achieve its goals. Increased inventory and decreased quotas are not risks that are directly associated with failure to comply with laws.

SOURCE: RM:043

SOURCE: BankersOnline.com. (n.d.). *Compliance risk*. Retrieved March 16, 2010, from [http://www.bankersonline.com/tools/riskmgt\\_compliancerisk.doc](http://www.bankersonline.com/tools/riskmgt_compliancerisk.doc)

93. A

Monitor regulations. Risk management is a business activity that involves the planning, controlling, preventing, and procedures to limit business losses. If a business does not comply with laws, the government may fine the business, which could result in substantial financial losses. Therefore, it is important for a business to continuously monitor government regulations to ensure that it is in compliance, and make changes, if necessary, to become compliant. Evaluating competitors, obtaining customer feedback and allocating operating funds are not actions that will reduce risks associated with noncompliance.

SOURCE: RM:043

SOURCE: BankersOnline.com. (n.d.). *Compliance risk*. Retrieved March 16, 2010, from [http://www.bankersonline.com/tools/riskmgt\\_compliancerisk.doc](http://www.bankersonline.com/tools/riskmgt_compliancerisk.doc)

94. D

Planning. Planning is the management function of deciding what will be done and how it will be accomplished. Brainstorming is a creative-thinking technique that is often used during the planning process. Deciding what will be done involves establishing objectives. After establishing objectives, the business can implement processes to achieve those objectives. The business analyzes its performance to determine if it achieved its objectives.

SOURCE: SM:063

SOURCE: Erven, B. (n.d.). *The five functions of management*. Retrieved March 12, 2010, from <http://extension.osu.edu/~mgtexcel/Function.html>

95. C

To prepare for the future. Planning is the management function of deciding what will be done and how it will be accomplished, which is preparing for the future. Preparing forecasts are activities that are often performed during the planning process. Implementing activities and changing processes are part of the managerial controlling function.

SOURCE: SM:063

SOURCE: Management Study Guide. (1998-2009). *Planning function of management*. Retrieved March 12, 2010, from [http://www.managementstudyguide.com/planning\\_function.htm](http://www.managementstudyguide.com/planning_function.htm)

96. A  
Determining the division of labor. Organizing is the management function of setting up the way the business's work will be done. Determining how to divide the work is an organizing activity. A mission statement, the firm's statement of purpose, is considered when conducting planning activities. Inspecting outputs and providing employees with feedback are controlling activities.  
SOURCE: SM:064  
SOURCE: Erven, B. (n.d.). *The five functions of management: Organizing*. Retrieved March 15, 2010, from <http://www.ag.ohio-state.edu/~mgtexcel/Organize.html>
97. B  
Establishing levels of authority. Organizing is the management function of setting up the way the business's work will be done. Establishing levels of authority is an organizing activity. Motivating techniques are directing activities. Promoting employees is a staffing activity. Conducting performance reviews is a controlling activity.  
SOURCE: SM:064  
SOURCE: Erven, B. (n.d.). *The five functions of management: Organizing*. Retrieved March 15, 2010, from <http://www.ag.ohio-state.edu/~mgtexcel/Organize.html>
98. D  
Staffing. Staffing is the management function of finding workers for a business. The staffing function identifies qualified candidates to perform the work. To identify qualified candidates, the manager must know what skills are needed to perform the work. Because Nadine is determining what skills are needed to operate the new computer system, she is focusing her efforts on the staffing function of management. Controlling is the management function of monitoring the work effort. Training involves teaching or developing a new skill. Planning is the management function of deciding what will be done and how it will be accomplished.  
SOURCE: SM:065  
SOURCE: Erven, B. (n.d.). *The five functions of management*. Retrieved March 8, 2010, from <http://extension.osu.edu/~mgtexcel/Function.html>
99. A  
Initiating action. Directing is the management function of providing guidance to workers and work projects. Providing guidance or instruction about the proper way to perform a task is initiating action. Skill identification is a staffing activity. Performance evaluation is a controlling activity. Establishing a line of authority is an organizing activity.  
SOURCE: SM:066  
SOURCE: Management Study Guide. (1998-2009). *Importance of directing function*. Retrieved March 8, 2010, from [http://www.managementstudyguide.com/importance\\_of\\_directing.htm](http://www.managementstudyguide.com/importance_of_directing.htm)
100. C  
Feedforward. Control is the management function of monitoring the work effort. Managers monitor the work effort in many ways. Feedforward control involves taking preventative measures and occurs before a business activity is performed. Feedforward control often involves establishing standards (e.g., quality of materials used in production) and procedures for carrying out the activity. Concurrent control involves monitoring the work while the employee performs it. This allows the manager to determine if the employee is performing the work correctly and efficiently. Feedback controls occur after a business activity has been completed. A standard is a measure for determining the level of excellence of something, and is a control tool.  
SOURCE: SM:004  
SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.) [pp. 561-564]. Mason, OH: South-Western Cengage Learning.