1. The ABC Company publishes an incorrect statement about the quality of the Marston Company's product. As a result, Marston's sales have dramatically decreased. This is an example of a legal tort related to
   A. defamation.
   B. privacy.
   C. infringement.
   D. trespassing.

2. The best way for Melissa to determine if her company will pay the tuition for the class that she is taking at the community college is by
   A. submitting a formal proposal.
   B. asking her college counselor.
   C. reviewing the production schedule.
   D. reading the employee handbook.

3. Jack says to Wendi, ‰I understand you correctly, you are saying that you want to change the format of the inventory report so it will be easier for the managers to analyze.+What communication technique is Jack using to clarify Wendi's suggestion?
   A. Paraphrasing
   B. Expressing an opinion
   C. Passive listening
   D. Quoting

4. To defend your ideas in an objective and respectful way, you should
   A. use dramatic gestures to reinforce your message.
   B. advise the other person that his/her opinion is illogical.
   C. present facts that support your point of view.
   D. provide a rebuttal for everything the other person says.

5. What is a key to effective note-taking?
   A. Capturing details
   B. Active listening
   C. Creative thinking
   D. Using an outline

6. When writing a persuasive business message, you should remember to
   A. communicate your personal goals.
   B. describe the benefits to the audience.
   C. open the message with an meaningful quote.
   D. place the least important information at the beginning.

7. Identify the type of analytical report that is most likely to contain the following information:

   "By taking the necessary steps to appeal to the 18- to 30-year-old market in the northwest region, we are likely to increase sales by 10 percent."
   A. Opportunity assessment
   B. Proposal
   C. Justification
   D. Corrective action

8. When developing an analytical report about a problem that the business is facing, the writer should conclude the report by
   A. describing the research techniques.
   B. recommending solutions.
   C. defining the issue.
   D. providing crucial background information.

9. Liam wrote and submitted a report to management describing relationships between actions and the probable results of those actions. What type of research report has Liam written?
   A. Interpretive
   B. Cause and effect
   C. Jury of executive opinion
   D. Argumentative

10. By consistently striving to solve customers' problems quickly, employees are demonstrating their
    A. satisfaction with the company's products.
    B. ability to use upselling techniques.
    C. commitment to provide excellent service.
    D. willingness to bend company policies.

11. The Walt Disney Company pledges to provide "quality entertainment for the whole family." This is an example of a company's
    A. brand promise.
    B. touch point.
    C. brand strategy.
    D. ad campaign.

12. What type of divisional structure is most appropriate for a company that sells lumber products to home builders, home-improvement retailers, retail display-case manufacturers, and furniture producers?
    A. Customer type
    B. Process
    C. Geographic region
    D. Unilateral

13. What social factor has prompted many companies in the U.S. and abroad to include bilingual labels on their products and bilingual signs in their business facilities?
    A. Technology changes
    B. Lifestyle trends
    C. Family roles
    D. Demographic shifts

14. When a small business purchases insurance to protect itself from losses associated with flooding and hurricanes it is
    A. preventing threats.
    B. transferring risk.
    C. retaining responsibility.
    D. avoiding hazards.

15. What type of tax do many local governments levy to pay for public schools and community parks?
    A. Income
    B. Estate
    C. Excise
    D. Property

16. What is most likely to happen when interest rates rise?
    A. Investment activity decreases.
    B. The demand for credit increases.
    C. Business profitability increases.
    D. The value of the dollar decreases.

17. After a meeting, an international oil executive presented an American businessperson with an expensive token of appreciation. The American businessperson politely declined the offering because s/he didn't want the exchange to appear as a bribe. This is an example of a cultural issue involving
    A. body language.
    B. language translation.
    C. greeting etiquette.
    D. gift-giving practices.

18. To make a good impression, individuals should dress conservatively when attending formal business meetings in France. What clothing is the most appropriate to wear?
    A. Black skirt and ornate jewelry
    B. Brightly-colored shirt and pants
    C. Red plaid dress
    D. Dark, well-tailored suit

19. Chileans prefer to have numerous rules, policies, and regulations to guide their actions. As a result, the Chilean culture tends to
    A. embrace new ideas and change.
    B. have a low tolerance for uncertainty.
    C. engage in risky business ventures.
    D. value individualism.

20. Because Costa Ricans do not like to be kept waiting, it is important for businesspeople to
    A. schedule frequent meeting breaks.
    B. arrive at meetings on time.
    C. discuss business during lunch.
    D. comply with local ordinances.

21. Because Japanese businesspeople live and work in densely populated areas of the country, it is important to be considerate of their
    A. religious practices.
    B. need for personal space.
    C. passive attitudes.
    D. casual view of time.

22. Saudi Arabian women are not permitted to travel outside the country without obtaining permission from their male guardians. This is a cultural issue related to
    A. gender roles.
    B. language differences.
    C. appropriate gestures.
    D. dress and appearance.

23. In Indian business culture, it is offensive to point your feet toward another person. This is an example of a cultural difference related to
    A. language.
    B. gestures.
    C. appearance.
    D. status.

24. Many cultures associate white with cleanliness, while Chinese culture associates white with death. This is an example of how different cultures perceive
    A. color.
    B. dress.
    C. opacity.
    D. language.

25. Which of the following statements is true about emotional intelligence:
    A. In many situations, individuals can improve their levels of emotional intelligence.
    B. Research indicates that emotional intelligence rarely affects a person's career success.
    C. Effective leaders tend to have low emotional intelligence and high cognitive abilities.
    D. It is easier to develop cognitive abilities than it is to develop emotional intelligence levels.

26. What is the first step in accepting responsibility for a mistake that you made at work?
    A. Developing an excuse
    B. Acknowledging your actions
    C. Apologizing for causing problems
    D. Determining corrective action

27. Ava usually feels refreshed and the most focused between 7:30 a.m. and 10:30 a.m. Which of the following should Ava work on during this time:
    A. Simple daily tasks
    B. Routine correspondence
    C. Low priorities
    D. Complex cognitive activities

28. Which of the following is most likely to lead to lower performance quality in the workplace:
    A. Overcommitment
    B. Weekly status meetings
    C. Reasonable project deadlines
    D. Long-term goals

29. When you want to persuade others to take a specific action, you should
    A. ask the audience to be willing to compromise.
    B. encourage the audience to offer dissenting opinions.
    C. focus on emotional appeals rather than logic and reasoning.
    D. communicate the benefits that are meaningful to the audience.

30. Determine the reason for the following conflict: As Matthew was leaving the office to go to an important dinner meeting, his manager asked him to work late on a project with a tight deadline.
    A. Unclear expectations
    B. Competing situations
    C. Unclear boundaries
    D. Miscommunication

31. As the project team leader, Tim has noticed that some of the team members have lost their focus on and interest in the project. To determine how to motivate the team, Tim must first understand that people
    A. need to have their accomplishments recognized.
    B. perform their work better under tight deadlines.
    C. respond best when they feel intimidated.
    D. are most interested in being paid for their input.

32. An important characteristic of being adaptable is being
    A. willing to leave your comfort zone.
    B. content with the way things are.
    C. able to assume high levels of risk.
    D. pleased about changes when they occur.

33. A positive political tactic to use to influence organizational decision making often involves
    A. encouraging workplace competitiveness.
    B. taking credit for others' work.
    C. associating with cynical coworkers.
    D. developing a support base.

34. Which of the following exemplifies the time value of money:
    A. Sophie estimated that she uses 78% of her income to pay her bills.
    B. Matthew decided to purchase a cell phone from TeleTech.com for $199.00.
    C. Rachel placed $250 in a savings account and accumulated $12.50 in interest.
    D. Harrison paid the government $1,508 in property taxes last year.

35. Which of the following are examples of expenses that should be considered when developing a personal budget:
    A. Food, utilities, and salary
    B. Insurance, dividends, and utilities
    C. Rent, entertainment, and insurance
    D. Entertainment, wages, and utilities

36. What are you doing when you compare your bank statement with your checkbook register?
    A. Reviewing your credit-card balances
    B. Managing your mutual funds
    C. Reconciling your checking account
    D. Endorsing your paycheck

37. Marcus wants to invest a portion of his money in long-term securities to finance his son's college education and his own retirement. To help him make the best investment decisions, Marcus should obtain the services of a
    A. licensed tax accountant.
    B. loan officer.
    C. certified financial planner.
    D. credit-union representative.

38. Ethical accounting professionals avoid conflicts of interest by
    A. authorizing changes.
    B. exhibiting biased attitudes.
    C. encouraging collaboration.
    D. behaving independently.

39. Which of the following should be listed as a long-term liability on a balance sheet:
    A. Equipment
    B. Payroll
    C. Inventory
    D. Mortgage

40. What can businesses do during an orientation session to help new employees feel comfortable in the workplace?
    A. Provide copies of performance reviews
    B. Introduce them to other employees
    C. Emphasize the company's discipline policies
    D. Give them a complex project to complete

41. Successful knowledge management efforts require an organizational culture that
    A. embraces ethnocentrism.
    B. accepts autocratic leadership.
    C. encourages anonymity.
    D. values innovation.

42. Customers may benefit from a company's knowledge management practices because
    A. decision-making becomes less complex.
    B. updates are needed less often.
    C. employees are promoted more often.
    D. problems are often resolved quickly.

43. What is a primary reason why employees might withhold their tacit knowledge from coworkers?
    A. Slow customer-service levels
    B. Unsatisfactory credit rating
    C. Uncooperative vendors
    D. Negative work culture

44. What is a primary characteristic of intellectual capital?
    A. Reliable
    B. Factual
    C. Observable
    D. Intangible

45. A business establishes virtual workspaces for several project teams in which information and expertise are continuously updated and shared among all of the work teams' members. What form of knowledge-management technology is the business using?
    A. Remote search engines
    B. Knowledge repositories
    C. Knowledge-mapping tools
    D. Decision-support systems

46. Which of the following is an action that threatens a company's ability to maintain its trade secrets:
    A. Systematic neutralizing
    B. Reverse engineering
    C. Copyright reform initiatives
    D. Process fragmentation

47. Seth recently informed his manager, Tammy, that he is leaving the company. During her last meeting with Seth, Tammy took detailed notes and asked Seth questions about the problems that Seth had encountered on the job and how he handled them. Seth shared important information that his replacement will need to know so s/he can do the job efficiently. What technique is Tammy using to capture knowledge for future use in the organization?
    A. Data codification
    B. Concept mapping
    C. Exit interview
    D. Training session

48. Natalie searched for 45-minutes to locate an important file folder, which she found under a pile of papers in an unmarked box that was stored under her desk. What action did Natalie <u>fail</u> to take that would have increased her efficiency and saved the company money?
    A. Observing safety standards
    B. Staying on task
    C. Using supplies wisely
    D. Staying organized

49. Melissa is thinking about setting up her growing business as a corporation. Which of the following online sources is most likely to have relevant information about how to establish a corporation:
    A. Wikipedia
    B. Wall Street Journal
    C. MarketWatch
    D. Nolo Legal Encyclopedia

50. What is an important consideration when selecting graphics and posting them on a business's web site?
    A. Download time
    B. Font size
    C. Descriptive links
    D. Log files

51. Which of the following is a major consideration when selecting project-management software:
    A. Team members' preferences
    B. Legal business structure
    C. Budgeting method
    D. Vendor technical support

52. What type of project-management software application helps project managers determine the types of skills that they need to complete their projects?
    A. Scanning
    B. Inventory management
    C. Resource allocation
    D. Spreadsheet

53. What is the best way for David to protect his small company's business records from natural disasters such as fires and floods?
    A. Store copies of the records in another facility or site
    B. Keep the records in unlocked file cabinets in the facility's warehouse
    C. Delegate an employee to ensure that the records are continuously updated
    D. Purchase insurance from a reputable source

54. Statistic findings indicate that the sales for an automaker's environmentally-friendly hybrid cars increased by a minimum of eight percent each quarter last year. Based on the information provided, what can the automaker conclude?
    A. The company needs to increase its budget for research and development.
    B. Most families care about the environment, but prefer driving SUVs.
    C. The automaker should reduce the production of its line of luxury cars
    D. Trends indicate an ongoing demand for more fuel-efficient vehicles.

55. Plastico Manufacuring Company had to temporarily shut down one of its factories because it was emitting toxic chemicals into the air. Plastico was not complying with the community's
    A. construction codes.
    B. environmental regulations.
    C. administrative policies.
    D. estate laws.

56. The owner of a business facility that has hazardous electrical wiring is likely to be fined for violating
    A. federal trade laws.
    B. local building codes.
    C. affirmative-action initiatives.
    D. electronic communication regulations.

57. Mandy sees that a fire has started in the business's warehouse. What should Mandy do to alert her coworkers that they should evacuate the building immediately?
    A. Call the fire department
    B. Use the fire extinguisher
    C. Trigger the fire alarm
    D. Recite the escape route

58. An effective way to limit employees' access to certain business information that is stored on the company intranet is to
    A. backup the system daily.
    B. review security policies.
    C. install debugging software.
    D. use a password system.

59. One way to prioritize daily work tasks is by reviewing each task and evaluating the
    A. reason why your manager delegated work to you.
    B. consequences of not completing activities.
    C. shortcuts you can take to complete all tasks by their deadlines.
    D. company's long-term performance goals.

60. Robert forgot that he told Sabrina to update the price list, so he asked Todd to do it. Due to the lack of coordination among the team members, what is most likely to happen?
    A. Effective collaboration
    B. High efficiency
    C. Accurate calculations
    D. Duplicate work

61. What must be determined before the work effort can be coordinated effectively?
    A. Technical changes
    B. The necessary tasks
    C. Customer-satisfaction levels
    D. The employees' requirements

62. Which of the following statements is true about project management:
    A. It requires a signed contract from stakeholders.
    B. It is a continuous series of events with an unlimited life span.
    C. It involves the coordination of multiple activities.
    D. Its primary use is for completing complex activities.

63. Which of the following is a threat to the successful completion of a project:
    A. Budgeting methods
    B. Effective security devices
    C. Computer programming flaws
    D. Contingency plans

64. Munroe Manufacturing uses a numerical rating scale to quantify a vendor's activities in a variety of areas, including delivery, service, and quality. What system is Monroe using to evaluate the vendor's performance?
    A. Applied-tabulation
    B. Cost-based
    C. Weighted-point
    D. Cycle-oriented

65. What is required of businesses to maintain positive, long-term relationships with their suppliers?
    A. Ongoing communication
    B. Flexible lead times
    C. Autocratic management
    D. Rigid policies

66. When is a business most likely to place a straight reorder with a vendor?
    A. To accommodate customers' unique requests
    B. To replenish its regularly-stocked items
    C. To order seasonal merchandise
    D. To change the quantities of items that it routinely orders

67. A manufacturer stocks casters and decorative hardware to make furniture. What type of inventory is the manufacturer maintaining?
    A. MRO goods
    B. Finished goods
    C. Perpetual
    D. Work-in-progress

68. It is best for a business to negotiate terms-of-sale face-to-face with a vendor when the
    A. item to be purchased is new and complex.
    B. costs and risks of the purchase are low.
    C. expectations are mutually clear.
    D. relationship is unimportant.

69. Which of the following is a value-added, non-price issue that is often negotiated with vendors:
    A. Training
    B. Shipping
    C. Credit
    D. Insurance

70. The primary purpose of conducting random product inspections in manufacturing processes is to
    A. assess employees' ideas.
    B. improve product value.
    C. achieve sales goals.
    D. monitor quality consistency.

71. A comprehensive report reveals that the Sabin Company can increase its data-entry outputs by 20% in a six-month period by installing the MMX software system. Sabin can use this type of business analysis to determine
    A. why it should evaluate work schedules.
    B. how to detect a problem.
    C. why it should obtain new markets.
    D. how to increase its efficiency.

72. When a manager is making a routine business decision, s/he usually needs
    A. minimal input from others.
    B. a lot of input to obtain many points of view.
    C. to write down all feasible options.
    D. to analyze the level of risk involved.

73. Which of the following is a question that can you ask yourself to help you determine an occupation that you might like to pursue:
    A. What types of sports do I like?
    B. What are my favorite classes in school?
    C. What computer programs do I work with?
    D. What grade did I get on my last science exam?

74. Hannah is looking for a new job. What is the best technique for Hannah to use to reconnect with her former coworkers and managers, build a list of business contacts, and learn about job openings?
    A. Post a blog about her personal interests
    B. Place an ad in an online newspaper
    C. Complete job applications on company web sites
    D. Join a professional online network

75. Which of the following best exemplifies an individual's career progression:
    A. Sales representative, sales director, and operations manager
    B. Advertising coordinator, promotions manager, and vice president of marketing
    C. Lead buyer, assistant buyer, finance manager
    D. Accounts-receivable clerk, production manager, human-resources assistant

76. A primary reason that businesses expect employees to follow their rules of conduct is to
    A. standardize behavior.
    B. influence opinions.
    C. eliminate conflict.
    D. assess responses.

77. Using a hierarchical chain of command, who is most likely to report directly to Jana Simpson, Vice President of Operations?
    A. Ken Bailey, Media Buyer
    B. Sandra Wilson, Accounts Receivable Coordinator
    C. William Kincaid, Purchasing Manager
    D. Cathy Cooley, Inventory Specialist

78. Braun Snack Food Company set a goal to produce 65,000 16-ounce bags of tortilla chips per month. What type of organizational goal has Braun established?
    - A. Output
    - B. Sales
    - C. Profit
    - D. Abstract

79. What type of organizational goal involves increasing the business's efficiency?
    - A. System
    - B. Product
    - C. Ideological
    - D. Personal

80. Which of the following statements is true about an employee's role in meeting organizational goals:
    - A. An employee's performance goals should align with the organization's overall goals.
    - B. The organization should base its overall goals on an employee's personal strengths.
    - C. An employee's attitude is more important in meeting organizational goals than his/her skill set.
    - D. Training programs are ineffective tools for assisting employees to achieve organizational goals.

81. What characteristic of a SMART objective does the following statement exemplify: Phase one of the project will be completed on May 10, 2012.
    - A. Time-bound
    - B. Realistic
    - C. Motivational
    - D. Structured

82. Which section of the project's statement of work (SOW) is most likely to contain the following information: Collins Corporation anticipates that the project will be completed in 18 months for $1.2 million.
    - A. Cost and schedule estimates
    - B. Project deliverables
    - C. Scope statement
    - D. Benefits and risks

83. The primary purpose of preparing a work breakdown structure for a complex project is to
    - A. determine who will lead the project.
    - B. guarantee that the project stays within budget.
    - C. verify that the team members understand their responsibilities.
    - D. make the project easier to manage.

84. So that team members can complete their specific tasks and responsibilities correctly, project managers must communicate
    - A. financial information.
    - B. short-term incentives.
    - C. performance standards.
    - D. marketing strategies.

85. Which of the following is an activity that is conducted during the closing phase of a project:
    - A. Identifying stakeholders
    - B. Determining deliverables
    - C. Archiving documents
    - D. Obtaining resources

86. What is a necessary component of quality-assurance activities?
    - A. Systematic process
    - B. Product innovation
    - C. Classified information
    - D. Supplier input

87. A ceramics artisan creates a variety of decorative vases, plates, and bowls to accommodate specific requests. In this situation, product quality is affected by
    - A. safety.
    - B. mass production.
    - C. durability.
    - D. customization.

88. Which of the following statements is true about the Six Sigma quality management framework:
    - A. It emphasizes lowering costs more than improving quality.
    - B. It focuses on increasing employee job satisfaction.
    - C. It involves change throughout the entire organization.
    - D. It can be effective without establishing incremental benchmarks.

89. Which of the following is a visualization tool that involves observing product flow throughout the organization to determine waste and inefficiencies:
    A. Fishbone diagram
    B. 80/20 rule
    C. Value stream mapping
    D. Reverse audit

90. During a heavy rainstorm, Save-Cents Discount Store suffered severe structural damages and flooding. The store's insurance company refused to pay for the store's damages because of an unclear anti-concurrent clause that was placed in the back of the written insurance policy. The anti-concurrent clause allowed the insurance company to deny the claim because there were two sources of damage for the same loss. This situation presents an ethical issue for the insurance company if the
    A. store purchased the insurance policy only a few weeks before the storm occurred.
    B. store's owner failed to pay the insurance premium on time.
    C. insurance company did not explain all of the policy's exclusions to the store.
    D. insurance company refused to pay workers' compensation to the store's employees.

91. What type of computer program is specifically designed to minimize business risks associated with internal theft?
    A. Fraud detection
    B. Firewall
    C. Malware
    D. Antivirus software

92. While shopping at Henderson's hardware store, Mrs. Talbot fell on a wet, slippery floor and suffered a traumatic head injury. This situation is a risk to the hardware store because Mrs. Talbot might
    A. report the store's deceptive behavior to the Better Business Bureau.
    B. require her insurance company to pay for her medical expenses.
    C. file a lawsuit against the store for negligent behavior.
    D. collect disability payments from her employer because she cannot work.

93. Which of the following is the type of action that a business is taking when it continuously monitors the laws that affect its operations for the purpose of minimizing risk:
    A. Remedial
    B. Corrective
    C. Reactive
    D. Preventative

94. The process of managerial planning typically helps to
    A. influence employees' adaptability.
    B. improve interpersonal relationships.
    C. maximize resource efficiency.
    D. guarantee positive results.

95. What is an advantage of managerial planning?
    A. Lessens the need to monitor employees
    B. Eliminates errors
    C. Decreases the need to delegate work
    D. Reduces uncertainty

96. Which of the following is the management function that is responsible for coordinating resources in ways that maximize efficiency:
    A. Controlling
    B. Staffing
    C. Directing
    D. Organizing

97. The primary purpose of the organizing function of management is to provide
    A. structure.
    B. leverage.
    C. insight.
    D. motivation.

98. Thomas is reviewing job applications to determine the five most qualified candidates to interview for a sales position. What management activity is Thomas performing?
    A. Orienting
    B. Screening
    C. Training
    D. Innovating

99. Why is directing an important management function in business?
    A. It helps the business set organizational goals.
    B. It helps clarify the employee's role in the business.
    C. It is responsible for developing positive relationships among coworkers.
    D. It is responsible for creating the business's vision and purpose.

100. Kara is comparing the production standards with the outputs to determine if she should implement
     changes to improve the production process. This is an example of
     A. constructive criticism.   C. internal feedback.
     B. managerial control.   D. remedial action.

1. A
Defamation. A tort is a private wrongdoing against a person or business. Defamation involves making false statements about another party with the intent to discredit or hurt the other's party's reputation. In the example, ABC's incorrect statement about Marston's products hurt Marston's sales. In response, Marston may file a lawsuit against ABC on the grounds of defamation. The situation is not related to privacy, infringement, or trespassing.
SOURCE: BL:069
SOURCE: McAdams, T., Neslund, N., & Neslund, K. (2007). *Law, business, and society* (8th ed.) [pp. 252-253]. Boston: McGraw-Hill/Irwin.

2. D
Reading the employee handbook. Employee handbooks provide information about the company's general policies and procedures, such as overtime and vacation policies, pay schedules, dress codes, behavioral expectations, and tuition reimbursement. Some companies will pay for a portion of their employees' college coursework if it applies to the employee's job. Asking a college counselor, reviewing the production schedule, and submitting a proposal are not ways to obtain information about her employer's tuition reimbursement policies.
SOURCE: CO:057
SOURCE: Dartmouth College. (2012). *Employee policies and procedures manual.* Retrieved January 17, 2012, from http://www.dartmouth.edu/~hrs/policy/

3. A
Paraphrasing. Message recipients use many techniques to encourage and indicate their understanding of a speaker's message. In the example, Jack is paraphrasing to verify his understanding of Wendi's statement. Paraphrasing involves restating a message in other words to confirm the message recipient's understanding. To use paraphrasing effectively, the message recipient must actively listen to the speaker's message. Paraphrasing does not involve expressing an opinion. Quoting involves reciting or writing a thought, idea, or statement using the speaker's exact words.
SOURCE: CO:082
SOURCE: Mind Tools. (1996-2012). *Active listening.* Retrieved January 6, 2012, from http://www.mindtools.com/CommSkll/ActiveListening.htm

4. C
Present facts that support your point of view. Because others may have questions or concerns about your idea, you should be prepared to defend those ideas by providing supporting information. By having facts to support your idea, others are more likely to accept your idea and put it into action. Telling another person that his/her opinion is illogical and refuting everything the other person says are not actions that help you objectively and respectfully defend your idea. In fact, these actions may offend the other person. Using dramatic gestures may indicate your enthusiasm about your idea but does not demonstrate why your idea is good and should be implemented.
SOURCE: CO:061
SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [p. 132]. Mason, OH: Thomson South-Western.

5. B
Active listening. To take meaningful notes, you must listen to what the speaker is saying. To pick up on the key points, you must actively listen. Effective note-taking does not involve capturing every detail of the presentation, nor does it involve the use of creative thinking techniques. And although it may be helpful for some individuals, effective notes do not need to be formatted as an outline.
SOURCE: CO:085
SOURCE: Dartmouth Academic Skills Center. (2011). *Classes: Note-taking, listening, participation*. Retrieved October 26, 2011, from http://www.dartmouth.edu/~acskills/success/notes.html

6. B
    Describe the benefits to the audience. The primary goal of a persuasive message is to influence behavior. Influencing others involves communicating benefits of taking action. The readers are more likely to respond favorably to the message if they know how the action will impact or help them. Communicating benefits is a central element to all types of persuasive messages. The beginning of the message should catch the readers' attention and encourage them to read more. Depending on the type of message, this might involve a quote. The message should be concise, so it should not contain unimportant information. The message should be written to communicate the business's goals rather than personal ones.
    SOURCE: CO:031
    SOURCE: Associated Content. (2005, July 13). *Effective persuasive messages for business communications.* Retrieved October 26, 2011, from http://www.associatedcontent.com/article/5043/effective_persuasive_messages_for_busines s_pg2.html?cat=35

7. A
    Opportunity assessment. An analytical report involves examining opinions, facts, and data about an issue, idea, or problem. The statement in the example describes an issue (market share expansion), which presents an opportunity for the business to attract more customers. A proposal suggests a certain course of action. Justification reports provide facts and data that support a previous decision or action. Corrective action involves taking action to resolve a problem that has occurred.
    SOURCE: CO:185
    SOURCE: *Writing informational and analytical reports.* (n.d.). Retrieved December 27, 2011, from http://emedia.leeward.hawaii.edu/hurley/modules/mod4/4_docs/reports.pdf

8. B
    Recommending solutions. An analytical report involves examining opinions, facts, and data about an issue, idea, or problem. Recommendations are placed at the end of the report after the issue has been defined and all of the pertinent information has been presented. The introduction of the report should define the problem. If research was conducted, the research techniques used are described in the methodology section of the report, which should appear before the recommendations and conclusions section of the report.
    SOURCE: CO:185
    SOURCE: eHow.com. (1999-2011). *The components of an analytical report.* Retrieved December 28, 2011, from http://www.ehow.com/info_8462120_components-analytical-report.html

9. B
    Cause and effect. Cause and effect reports provide information about a variety of scenarios under different circumstances· if action A and B happens, then the probable result will be X. By developing a cause and effect report, a business can analyze different situations and probable outcomes. The business can consider the pros and cons of each scenario to determine which action will be best for the business. An interpretive report provides the writer's perception of a specific topic. Individuals working in the humanities and social-science fields often develop interpretive reports to clarify or interpret ancient texts and complex cognitive concepts. Jury of executive opinion is a qualitative forecasting method that gathers opinions from company executives. An argumentative report provides facts and data about two sides of a controversial issue.
    SOURCE: CO:186
    SOURCE: Oliver, L. (2008, April 11). *7 most popular types of research papers*. Retrieved December 27, 2011, from http://www.personal-writer.com/blog/7-most-popular-types-of-research-papers

10. C
Commitment to provide excellent service. A business's service orientation is its philosophy of a certain level and quality of service. A business that is committed to providing excellent service should provide its employees with adequate training about business's products, processes, and policies. When employees understand the many facets of the business, they can often solve customers' problems more quickly because they know what they need to do to correct the problems. When problems are solved quickly, employees are indicating that they care about their customers, which leads to increased customer loyalty and satisfaction. Solving problems quickly does not always involve bending company policies. Solving customers' problems quickly does not demonstrate the employees' satisfaction level with the company's products, nor does it demonstrate their ability to use upselling techniques.
SOURCE: CR:005
SOURCE: Odgers, P. (2004). *The world of customer service* (pp. 50-51). Mason, OH: South-Western.

11. A
Brand promise. The brand promise is a company's agreement (spoken or unspoken) with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. Strategies are the activities the business uses to fulfill its brand promise and achieve its business objectives. Touch points are all of the opportunities that a business has to connect with its customers and reinforce its brand value. Disney uses many touch points to create %quality entertainment+experiences for its customers through its theme parks, films, and television shows. Advertising is a form of promotion to attract customers and reinforce the business's image or brand.
SOURCE: CR:001
SOURCE: The Walt Disney Company. (n.d.). *Company overview.* Retrieved January 6, 2012, from
              http://corporate.disney.go.com/corporate/overview.html

12. A
Customer type. Dividing a company by the type of customer is often beneficial for businesses that serve different types of customers, such as industrial customers and consumer customers. This divisional structure is appropriate to use when selling goods to customers that build complex products and require salespeople to understand industry jargon and concepts. The divisional structure by process has a manager for each step in the production process and is often used by manufacturing companies. Multi-national corporations and retailers often divide a company by geographic region or territory. Unilateral divisional structure is a fictitious term.
SOURCE: EC:103
SOURCE: EC LAP 23· Designed to Work (Organizational Design of Businesses)

13. D
Demographic shifts. Immigration and globalization have lead to growing numbers of minorities in the U.S. and other countries. To accommodate language differences, many companies are including bilingual labels on their products and bilingual signs in their facilities. Lifestyle trends involve the shift in direction regarding the way people live, socialize, and work. Family roles involve the function of members within the family unit. For example, there are more fathers staying at home to take care of the children, while the mothers work outside the home. Technology changes are always occurring and are not a primary reason why companies are publishing information in different languages.
SOURCE: EC:105
SOURCE: EC LAP 26· What's Shakin'? (Factors Affecting Business Environment)

14. B
Transferring risk. Risk is the chance of loss. Businesses can transfer, prevent, retain, or avoid risk. Transferring risk involves shifting the risk to someone else. In the example, the business is shifting risk to the insurance company. In this situation, the insurance company will pay the business for its losses if a hurricane or flooding damages the business. Retaining risk is keeping it. Reducing risk is preventing or controlling it. Preventing risk is taking measures to reduce the risk. The business is not preventing threats, retaining responsibility, or avoiding hazards.
SOURCE: EC:011
SOURCE: EC LAP 3· Lose, Win, or Draw (Business Risk)

15. D
Property. Property taxes are paid on land and buildings. Local governments use property taxes to finance community initiatives such as schools and parks. An excise tax is a special government tax on certain items (e.g., gasoline) that is included in the price that consumers pay. Income taxes are levied on income earned from a job or other sources. Inherited items are subject to estate taxes.
SOURCE: EC:072
SOURCE: Lowe, R.E., Malouf, C.A., & Jacobson, A.R. (2003). *Consumer education & economics* (5th ed.) [pp. 148, 151]. New York: Glencoe/McGraw-Hill.

16. A
Investment activity decreases. When interest rates increase, consumer and business spending tend to decrease because the cost of buying on credit becomes more expensive. As a result, individuals and businesses save rather than spend; the demand for credit tends to decrease; business profitability declines due to reduced consumer spending; and businesses are less likely to invest their money and expand business activities. When policies are implemented to control inflation, interest rates increase, the money supply tightens, and lenders approve fewer loans. Therefore, the value of the dollar increases.
SOURCE: EC:084
SOURCE: Tutor2u.com. (n.d.) *Interest rates and economic activity: How do changes in interest rates affect the economy?* Retrieved October 25, 2011, from
        http://tutor2u.net/economics/content/topics/monetarypolicy/effects_of_changes.htm

17. D
Gift-giving practices. Gift giving practices vary greatly among countries. In some countries, it is customary to give gifts in business situations. In other countries, businesses often limit or prohibit giving or receiving gifts because it may be viewed as bribery, which is an illegal activity under certain circumstances. The example is not an issue that involves language translation, greeting etiquette, or body language.
SOURCE: EC:130
SOURCE: Roberts, K., & Taylor, S. (n.d.). *United States: Behavior.* Retrieved December 15, 2011, from
        http://www.cyborlink.com/besite/us.htm

18. D
Dark, well-tailored suit. Conservative dress involves wearing traditional clothing that is not flashy and does not attract too much attention. When the occasion calls for a conservative and professional appearance, a dark, well-tailored suit is an optimal choice for both men and women. A knee-length black skirt might be appropriate for women; however, brightly colored shirts, pants, red plaid dresses, and ornate jewelry are more likely to attract unfavorable attention and appear unprofessional.
SOURCE: EC:131
SOURCE: Priest, M. (n.d.). *France: Appearance.* Retrieved December 15, 2011, from
        http://www.cyborlink.com/besite/france.htm

19. B
Have a low tolerance for uncertainty. A culture's need to have numerous rules indicates that the people like to know what to expect, which creates a sense of order and control. A culture that adheres to strict rules does not easily accept new ideas or change, nor does it engage in high-risk behavior. When foreign businesspeople understand that the Chilean culture does not feel comfortable with uncertainty, they can adapt their behavior to accommodate the Chilean business culture. Chilean culture is collectivist rather than individualist.
SOURCE: EC:132
SOURCE: Nicol, J. (n.d.). *Geert Hofstede analysis: Chile*. Retrieved October 10, 2011, from
        http://www.cyborlink.com/besite/chile.htm

20. B
Arrive at meetings on time. The way a culture views the concept of time is an important consideration when conducting international business. In some cultures, punctuality is very important; therefore, it is important arrive on time for business meetings or social functions. Meeting breaks, luncheon meetings, and government ordinances do not relate to keeping people waiting.
SOURCE: EC:132
SOURCE: Nicol, J. (n.d.). *Costa Rica behavior and manners.* Retrieved December 16, 2011, from
   http://www.cyborlink.com/besite/costa_rica.htm

21. B
Need for personal space. Japan is a small country with a large population, so residential and work spaces tend to be small and crowded. When people must live and work in confined spaces, they tend to value their personal space. Foreigners can demonstrate consideration and respect for Japanese businesspeople by maintaining some physical distance when communicating with them. It is important to be considerate about time, attitudes, and religious practices, but these factors are not related to living and working in densely populated areas.
SOURCE: EC:133
SOURCE: Williams, D. (n.d.). *Japan: Appearance.* Retrieved October 17, 2011, from
   http://www.cyborlink.com/besite/japan.htm

22. A
Gender roles. Values, expectations, roles, and rules for women differ by culture. In Saudi Arabia, women do not drive cars, and a woman is not permitted to travel abroad without the consent of her husband or male guardian. In many situations, a male guardian must accompany a female who is travelling to another country. The example is not an issue related to language differences, appropriate gestures, or dress and appearance.
SOURCE: EC:134
SOURCE: Everyculture.com. (2011). *Saudi Arabia: Gender roles and statuses.* Retrieved December 16,
   2011, from http://www.everyculture.com/Sa-Th/Saudi-Arabia.html

23. B
Gestures. Gestures involve the movement of the body or limbs. These movements express or emphasize an idea, sentiment or attitude. In India, pointing your feet at another person is an offensive gesture. Language is a verbal or written communication difference among cultures. Appearance involves considering a culture's dress or attire preferences. Status is a social consideration.
SOURCE: EC:135
SOURCE: Butler, P. (n.d.). *India: Behavior*. Retrieved August 24, 2011, from
   http://www.cyborlink.com/besite/india.htm

24. A
Color. Different cultures attach different associations to certain colors. Therefore, it is important for businesspeople to know and understand these differences when conducting business in other countries. The situation does not exemplify a cultural difference in relation to dress, opacity, or language.
SOURCE: EC:135
SOURCE: Williams, D. (n.d.). *China: Behaviors and manners in China.* Retrieved December 16, 2011,
   from http://www.cyborlink.com/besite/china.htm

25. A
In many situations, individuals can improve their levels of emotional intelligence. Emotional intelligence is the ability to recognize and manage emotions in ourselves and in others. Individuals who are willing to recognize, evaluate, and change the way they relate with others can improve their emotional intelligence. People who have high levels of emotional intelligence tend to be effective leaders and achieve career success because they can relate well with others. Cognitive intelligence involves the ability to reason and apply logic. An individual's cognitive abilities are influence by biological and heredity factors, which are not easily changed.
SOURCE: EI:001
SOURCE: EI LAP 6· EQ and You (Emotional Intelligence)

26. B
Acknowledging your actions. To accept responsibility for your actions, you must first acknowledge that you made a mistake or error in judgment. If you discover the mistake yourself, then you can advise your supervisor about the mistake and determine how to correct it. If someone else discovers the mistake, you should acknowledge what you did and take steps to correct it. Taking corrective action and apologizing for a mistake can only occur after the mistake has been recognized or acknowledged. Mistakes can be small and do not always cause major problems. When you accept responsibility for your actions, you don't provide excuses or blame others.
SOURCE: EI:075
SOURCE: Ford, J. (2011, February 23). *How to take responsibility for your actions*. Retrieved December 22, 2011, from http://www.ehow.com/how_4802685_responsibility-actions.html

27. D
Complex cognitive activities. An important aspect of managing work commitments such as projects, meetings, presentations, etc., is scheduling your time in the most efficient ways. Most people have times of the day when they feel more energetic and focused than others. Some people, like Ava, are %morning people+ and feel best early in the day. Because Ava is at her best early in the morning, she should focus on complex work commitments that require a lot of logical thinking, analyzing, and problem solving. Routine correspondence, simple daily tasks, and low priorities may not require a lot of cognitive activity or %brain power+ to perform.
SOURCE: EI:077
SOURCE: Time Management. (n.d.). *Manage your scheduling commitments—six effective guidelines to get things done (part 2).* Retrieved December 9, 2011, http://www.timemanagment.info/111/manage-your-time-scheduling-commitments-six-effective-guidelines-to-get-things-done/2/

28. A
Overcommitment. It is important for workers to assess the time involved with a project before volunteering to work on it. When workers volunteer to take on too many activities (overcommitment), they often find that they do not have enough time to complete the projects thoroughly and correctly, which affects the quality of their work. If project managers set reasonable deadlines, work quality is less likely to suffer because team members have more time to ensure that they do their work correctly. Weekly status meetings may improve work quality because the updates may identify problems that require corrective action. Long-term goals do not tend to lead to lower performance quality in the workplace.
SOURCE: EI:077
SOURCE: Wright, B. (2008, August 27). *Avoiding overcommitment: Knowing when to say no.* Retrieved December 9, 2011, from http://everyjoe.com/work/avoiding-overcommitment-knowing-when-to-say-no-386/

29. D
Communicate the benefits that are meaningful to the audience. Persuasion involves influencing the attitudes or behavior of others. If members of the audience understand how they will benefit, they are more likely to go along with the action. When persuading others, it is important to answer the questions and discuss their objections; however, encouraging the audience to offer different opinions and asking for compromise may hinder the persuasion process. In some situations emotional appeals are not appropriate to use, and you need to provide sound reasoning for the call to action.
SOURCE: EI:012
SOURCE: QS LAP 10· Win Them Over (Persuade Others)

30. B
Competing situations. Multiple situations were competing for Matthew's attention, so his conflict was about how to spend his time. Should he attend an important dinner meeting or should he accommodate his manager's request to work late? When people do not know what they're supposed to do, or what someone else expects them to do, conflict can occur due to unclear expectations. Conflicts that involve unclear boundaries occur when people lack understanding about appropriate behavior. Conflicts related to miscommunication occur when barriers (e.g., noise) prevent someone from obtaining or understanding the information needed to make wise decisions.
SOURCE: EI:015
SOURCE: EI LAP 7· Stop the Madness (Conflict Resolution in Business)

31. A
Need to have their accomplishments recognized. Without ongoing positive reinforcement, team members may become discouraged and feel like their efforts do not matter· even if they are well paid for their work. So, it is important for Tim to realize that many people need their accomplishments recognized and appreciated. Appreciation can be shown in many ways, from a simple "thank you" or "good job" to a nice meal or a bonus. Intimidation is not an effective tactic to encourage and motivate team members. Not all people perform their best work under tight deadlines. In fact, they are more likely to make mistakes because they are rushing to finish on time.
SOURCE: EI:059
SOURCE: PRLOG. (2008, April 19). *How to motivate others: Top tips on leadership.* Retrieved October 26, 2011, from http://www.prlog.org/10065474-how-to-motivate-others-top-tips-on-leadership.html

32. A
Willing to leave your comfort zone. Adaptability is the ability to adjust or modify attitudes and/or behavior to new situations or circumstances. When you are willing to leave your comfort zone, you are accepting new ideas, challenges, and ways to do things. In other words, you are willing to modify your behavior to new situations· you are being adaptable. Being content with the way things are can be a barrier to adaptability. Being adaptable involves risk; however, it does not always involve taking high or unnecessary risks. Adaptability involves adjusting to positive and negative circumstances when they occur. Although you may not be happy or pleased about the changes, you can control the way you react.
SOURCE: EI:006
SOURCE: QS LAP 15· Stuff Happens! (Adaptability)

33. D
Developing a support base. Individuals build political relationships in business to help further their career goals, as well the organization's goals. Individuals who respect and work well with others are more likely to have positive relationships with managers and other influential members of the organization. When individuals take action to build these relationships, they are developing a support base. Taking credit for others' work is a negative political tactic. Encouraging workplace competitiveness can create a negative, distrustful environment. Cynical coworkers tend to be negative and distrusting. Fostering relationships with these individuals may hurt a person's political influence.
SOURCE: EI:034
SOURCE: Kreitner, R., & Kinicki, A. (2004). *Organizational behavior* (6th ed.) [pp. 577-579]. New York: The McGraw-Hill Companies.

34. C
Rachel placed $250 in a savings account and accumulated $12.50 in interest. The time value of money is the difference between the money's current purchasing power in relation to its purchasing power at a future date. Because Rachel placed her money in an interest-earning account, her money is worth $12.50 more than it was last year. Buying a phone, the amount of annual income allocated for expenses, and property taxes paid do not indicate the future value of a set amount of money.
SOURCE: FI:062
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 30-31]. New York: McGraw-Hill Irwin.

35. C
    Rent, entertainment, and insurance. Individuals develop personal budgets to help them manage their money. A budget is an estimation of income and expenses. Expenses are money that a person spends and may include rent, entertainment, insurance, food, and utilities. Salaries (wages) and dividends are sources of income.
    SOURCE: FI:066
    SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 89]. New York: McGraw-Hill Irwin.

36. C
    Reconciling your checking account. The check register is a central location to record and track all of the checks that you write and the amount of money you spend in your checking account. Each month, you receive a bank statement that details your checking-account activity. You should reconcile your check register with your bank statement to ensure that they match. This step is important for many reasons. For example, if you forget to enter transactions in your checkbook register, you may overdraft your account and be fined for insufficient funds. When you compare your bank statement with your checkbook register, you are not managing your mutual funds, reviewing credit-card balances, or endorsing your paycheck.
    SOURCE: FI:069
    SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 158-159]. New York: McGraw-Hill Irwin.

37. C
    Certified financial planner. Financial planners help clients develop investment plans and prepare for the future. Financial planners recommend and sell financial products such as mutual funds, stocks and bonds, insurance, etc. When selecting a financial planner, it is important to make sure that s/he has the appropriate training and certification to provide financial services. Tax accountants, loan officers, and credit-union representatives do not usually have the credentials to provide in-depth financial advice and select appropriate investments for clients.
    SOURCE: FI:075
    SOURCE: Ryan, J.S. (2010). *Managing your personal finances* (6th ed.) [p. 251]. Mason, OH: South-Western Cengage Learning.

38. D
    Behaving independently. Ethics are the basic principles that govern an individual's behavior. In the field of accounting, ethical standards serve as a guide for professional conduct. Accountants prepare the financial information that businesses use to make financial decisions, so it is important for them to uphold the ethical standards of their profession. Accountants must be objective, and honest. Being objective involves not being influenced by bias, prejudice, or outside opinion, which is acting independently. Therefore, to uphold professional ethics, accountants should avoid situations that might be considered a conflict of interest, such as auditing a family member's financial records. Authorizing changes to something does not always involve a conflict of interest.
    SOURCE: FI:351
    SOURCE: eNotes. (2012). *Ethics in accounting.* Retrieved January 17, 2012, from http://www.enotes.com/business-finance-encyclopedia/ethics-accounting

39. D
    Mortgage. A balance sheet is a financial statement that captures the financial condition of the business at that particular moment. The balance sheet provides information about the businesses assets· anything of value that the business owns· and its liabilities, which are debts that the business owes. On their balance sheets, businesses classify liabilities as current or long-term. Mortgage loans are long-term liabilities because businesses usually make mortgage payments for several years. Payroll expenses (employees' salaries) are current liabilities because the business is expected to pay its employees for their work on a regular basis throughout the year. Businesses classify inventory as current assets and equipment as fixed assets.
    SOURCE: FI:093
    SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 772-773). Woodland Hills, CA: Glencoe/McGraw-Hill.

40. B
Introduce them to other employees. By giving new employees a tour of the facility and introducing them to the people with whom they will work, the business is helping new hires become familiar with their workplace and feel more comfortable in their new environment. New employees have not performed work, so businesses wouldn't provide them with copies of their performance reviews. Although it is important to communicate company rules and expectations to new employees, emphasizing disciplinary actions may be too harsh on the first day of work. Businesses usually give complex projects to employees after they have had sufficient training and experience.
SOURCE: HR:360
SOURCE: Heathfield, S. (n.d.). *New employee orientation*. Retrieved December 28, 2011, from
http://humanresources.about.com/od/glossaryn/g/orientation.htm

41. D
Values innovation. Organizations that value innovation respect and consider their employees' input and ideas. If employees feel that their input is valued, they are often more willing to share their tacit knowledge with others. Autocratic leadership is a dictatorial style leadership in which the leader determines all policies, maintains close control, and provides employees with only the information that they need to know to do their jobs. Anonymity is lacking individuality. Ethnocentrism is the belief that your own culture is naturally better than other cultures. Autocratic leadership, anonymity, and ethnocentrism are more likely to hinder successful knowledge management than support it.
SOURCE: KM:001
SOURCE: MBA*Research* and Curriculum Center. (2011). *Introduction to management course guide* (pp. 5-3 - 5-4). Columbus, OH: Author.

42. D
Problems are often resolved quickly. An aspect of managing knowledge involves making sure that employees receive training and information about their specific jobs, products, relationships between departments, and general business operations. When employees have the necessary knowledge, they don't need to ask coworkers or managers for help with the day-to-day issues that they often encounter. By having proper information, employees can often solve customers' problems quickly. Having the knowledge to help customers doesn't mean that the employees will need to update information less frequently, that employees are promoted more often, or that decision-making processes are less complex.
SOURCE: KM:001
SOURCE: MBA*Research* and Curriculum Center. (2011). *Introduction to management course guide* (pp. 5-3 - 5-4).Columbus, OH: Author.

43. D
Negative work culture. Tacit knowledge is expertise that is often difficult to explain or quantify. Businesses with positive work cultures tend to encourage openness and sharing, which builds trust among employees. When coworkers trust one another and feel valued by their employers, they are more likely to share their tacit knowledge with one another. Negative work environments tend to foster a distrustful environment, which often discourages employees from sharing their expertise. In these situations, employees are often fearful about losing their jobs and are more likely to keep helpful information to themselves. An unsatisfactory credit rating, uncooperative vendors, and poor customer-service levels are not primary reasons why employees withhold tacit knowledge from coworkers.
SOURCE: KM:002
SOURCE: Land, F., Urooj, A., & Nolas, S. (2006, December). *The ethics of knowledge management.* Retrieved December 22, 2011, from http://is2.lse.ac.uk/wp/pdf/wp152.pdf

44. D

Intangible. Intellectual capital is the collective knowledge of an organization that can be used to generate financial gain. Because knowledge begins in the thoughts and minds of employees, the knowledge is intangible. Some knowledge may be factual, observable, and reliable, but not all of it is. Businesses must be aware that ethical issues often compromise the security of their intellectual capital, such as sharing confidential information with others outside the company. Therefore, businesses should develop policies and communicate them to employees about their intellectual capital.

SOURCE: KM:002
SOURCE: Talulkdar, A. (2008). *What is intellectual capital?* Retrieved December 22, 2011, from
       http://www.attainix.com/Downloads/WhatIsIntellectualCapital.pdf

45. B

Knowledge repositories. Effective knowledge management tools support the collection and sharing of tacit and explicit knowledge. Knowledge repositories provide the team members of various teams and departments the ability to share their expertise to increase efficiency and solve problems. A search engine is a software program that automatically crawls the Web looking for information pertaining to specified search terms and displays a list of results. Knowledge-mapping software provides the ability to capture a business's information sources and information flow in a graphic format. Decision-support system applications retrieve and organize data to facilitate the business's decision-making processes.

SOURCE: KM:003
SOURCE: Knowledge-Management-Online. (2005-2009). *Knowledge management tools and technologies.* Retrieved January 13, 2012, from http://www.knowledge-management-online.com/Knowledge-Management-software.html

46. B

Reverse engineering. Reverse engineering is the process of examining the chemical makeup of an existing product on the market. By reviewing the components of the product through independent discovery, a competitor can apply the findings to recreate the product. Although this is a legal practice under trade secret laws in Canada and the U.S., it does hinder the ability to maintain trade secrets for certain types of processes, ingredients, etc. Process fragmentation involves limiting the amount of information employees have about an entire process, which lessens the risk that the company's trade secret will be revealed. Copyrights legally protect written and artistic works rather than trade secrets. Therefore, any reforms to copyright laws would not affect trade secrets. Systematic neutralizing is a fictitious term.

SOURCE: KM:004
SOURCE: Canadian Intellectual Property Office. (2011, July 19). *Using intellectual property in business: Strengthening non-disclosure.* Retrieved October 27, 2011, from
       http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00778.html

47. C

Exit interview. The purpose of an exit interview is to gain feedback from an employee who is leaving the business. The feedback can provide managers with knowledge about how they can help replacements become acclimated to the job. The feedback can also provide management with ideas for improving processes and increasing efficiency and job satisfaction. Concept mapping is a method of clarifying and organizing ideas by using a graphic format to show relationships. Codification is the process of classifying or assigning value to certain ideas, statements, or data. Tammy may have used concept mapping or data codification techniques to organize Seth's feedback after the exit interview. Training involves providing new hires and employees with education to perform their jobs.

SOURCE: KM:005
SOURCE: kstoolkit.org. (2011). *Exit interviews.* Retrieved December 22, 2011, from
       http://www.kstoolkit.org/Exit+Interviews

48. D
    Staying organized. Employees can help their employers reach their objectives by working efficiently. To work efficiently, employees should be organized and have a system for keeping track of their work and supplies. Because Natalie's workspace was not organized, she spent a lot of time looking for a file instead of working on something more productive. There is not enough information provided to determine if Natalie has problems staying on task, using supplies wisely, or observing safety standards.
    SOURCE: MK:015
    SOURCE: MK LAP 2· Act Now! (Employee Actions and Company Goals)

49. D
    Nolo Legal Encyclopedia (www.nolo.com). Expertise and credibility are primary considerations when evaluating the relevance of a source. Because regulations and legal procedures are important considerations when setting up a corporation, Melissa should obtain information from a source that has legal expertise, such as Nolo Legal Encyclopedia. The Wall Street Journal is a print and online business publication that focuses on a wide variety of business and economic issues and trends. Because Wikipedia is an open source of information that is constantly updated, some of the information might be inaccurate or irrelevant. MarketWatch is a website that focuses on financial issues such as investing and the stock market performance.
    SOURCE: NF:079
    SOURCE: Regents of the University of California. (2011, September 20). *Evaluating web pages: Techniques to apply & questions to ask*. Retrieved October 26, 2011, from http://www.lib.berkeley.edu/TeachingLib/Guides/Internet/Evaluate.html

50. A
    Download time. The file size of a graphic affects the amount of time that it takes to appear on the computer screen. The larger the graphic, the more time it takes to download or appear on the computer screen. If graphics are too large, computer users might exit the web site because it takes too long for the graphics to appear on the web page. The font size and descriptive links relate to text elements rather than graphics. Log files are files that provide information about the activities of web-site visitors.
    SOURCE: NF:042
    SOURCE: Business Link. (n.d.). *Best practice in web design: Technical website design considerations*. Retrieved January 17, 2012, from http://www.businesslink.gov.uk/bdotg/action/detail?itemId=1075384921&type=RESOURCES

51. D
    Vendor technical support. Comprehensive project-management software can help the project manager allocate resources· human, financial, material, capital· in the most efficient ways. When selecting software for complex, large-scale projects, it is important to consider the type of service support that the software distributor is willing to provide. If problems occur, project managers and team members may need to contact a technical support person to answer questions or to help solve technical problems. Team members who have experience with different types of project-management software may offer opinions, but the type of project, available resources, and constraints are likely to have a greater impact on the project manager's selection decision. Legal business structure and budgeting methods are not major considerations when selecting project-management software.
    SOURCE: NF:130
    SOURCE: Auza, J. (2010, April 14). *Free and open source project management software*. Retrieved October 17, 2011, from http://www.junauza.com/2010/04/open-source-project-management-software.html

52. C
Resource allocation. Resource-allocation applications help project managers to allocate all the needed resources· human, financial, equipment, supplies· in the most efficient ways. For example, the resource allocation application can determine the skills that are needed to perform certain tasks. This, in turn, helps the project manager identify appropriate team members to perform the work. Inventory management software is used to monitor a business's merchandise and supplies. Scanning software digitally captures documents and graphics to store on computers. Project managers use spreadsheet software applications to organize, calculate, and analyze numerical data.
SOURCE: NF:130
SOURCE: Project Insight. (1997-2011). *Resource allocation*. Retrieved December 28, 2011, from
        http://www.projectinsight.net/project-management-software/features/resource-
        management.aspx

53. A
Store copies of the records in another facility or site. By keeping copies of business records in another facility or storing them on web-based databases, the business has another set (backup) of records if the originals are destroyed. Keeping the original records on site, delegating an employee to update the records and purchasing insurance will not protect the company's business records from natural disasters.
SOURCE: NF:001
SOURCE: NF LAP 1· Record It (Business Records)

54. D
Trends indicate an ongoing demand for more fuel-efficient vehicles. Statistics are information presented in numerical form. Businesses often interpret and analyze statistics to identify trends, which indicate the general direction in which people or events are moving. If numerical data show that the sales for a hybrid, environmentally-friendly car has been steadily increasing for several months, then the trend indicates that there is an ongoing demand for the fuel-efficient vehicles. Hybrid (electric and gas fueled) cars are environmentally friendly and fuel efficient because they use less gasoline than traditional vehicles. After identifying the trend, the automaker might decide to reduce the production of luxury cars and increase the production of hybrid cars, or increase its research and development budget to create more efficient cars. There is not enough information provided to determine if most families prefer driving SUVs.
SOURCE: NF:093
SOURCE: Winthorp, A. (2007, September 21). *Using statistics to measure business performance.*
        Retrieved January 17, 2012, from http://ezinearticles.com/?Using-Statistics-To-Improve-And-
        Measure-Business-Performance&id=744164

55. B
Environmental regulations. If a business does not follow the jurisdiction's environmental laws, it risks being shut down until it is in compliance. High emissions of toxic chemical in the air create pollution and can negatively affect the natural environment and the health of people and animals. Building codes, rather than construction codes, regulate the structure of facilities such as offices, factories, and homes to ensure their safety. Administrative policies are internal guidelines for carrying out the business's work. Estate laws regulate the distribution of a person's assets to his/her beneficiaries.
SOURCE: OP:339
SOURCE: United States Environmental Agency. (2011, August 11). *Summary of the Clean Air Act.*
        Retrieved December 27, 2011, from http://www.epa.gov/lawsregs/laws/caa.html

56. B
Local building codes. Building codes govern the construction and maintenance of a facility's structure. Jurisdictions develop building codes to ensure that the facility meets a minimal set of standards to protect the safety of facility's occupants and visitors. Electrical wiring, water lines, the grade of construction materials, and the placement of the building's exits are types of things that building codes regulate and monitor. A business that fails to meet building codes may be fined and closed until the problems are fixed. Trade laws regulate the exchange of goods and services between jurisdictions (e.g., states/provinces, countries). Affirmative action is an effort to give special employment consideration to disadvantaged groups. Electronic communication regulations govern the appropriate use of electronic communication methods, such as telephone surveillance.
SOURCE: OP:339
SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3rd ed.) [pp. 747-748]. Mason, OH: Thomson/South-Western.

57. C
Trigger the fire alarm. A fire is an example of an emergency situation that employees should be prepared to handle. One of the first procedures to follow if a fire is detected in the facility is to evacuate the premises to protect the safety of employees and customers. To alert coworkers about a fire, Mandy should trigger the fire alarm. The sound of the alarm will indicate that individuals should evacuate the premises. Using a fire extinguisher may help put out or contain the fire, but does not alert others about the fire. The fire department should be called after employees are alerted about the fire. Reciting the escape route will not alert others to evacuate the building.
SOURCE: OP:010
SOURCE: Educational Institute of the American Hotel & Lodging Association (2005). *Lodging management program: Year 1* (2nd ed.) [pp. 70-71]. Lansing, MI: Educational Institute of the American Hotel & Lodging.

58. D
Use a password system. Businesses can limit employees' access to computer information by assigning passwords to certain employees. For example, a company's accounting department typically works with customers' financial records, so accounting-department employees are most likely to have authorization to view financial data. On the other hand, the advertising department does not usually use customers' financial information to carry out its activities, so advertising-department employees would not be given passwords to access customers' financial information. Reviewing security policies and performing backup procedures do not limit employees' access to certain business information. Debugging software corrects errors (bugs) associated with specific computer software programs.
SOURCE: OP:153
SOURCE: Kissell, R. (2009, October). *Small business information security: The fundamentals.* Retrieved January 19, 2011, from http://csrc.nist.gov/publications/nistir/ir7621/nistir-7621.pdf

59. B
Consequences of not completing activities. By thinking about what may happen if a task is not completed, you are evaluating the importance of the task, which helps you prioritize your work. For example, suppose your manager needs a status report from you for a meeting that is scheduled two hours from now. If you don't have the report ready on time, your manager will not have the information to present during the meeting, which will make him/her unprepared. As a result, your manager is likely to become upset with you. On the other hand, suppose you need to write a letter of recommendation for a student who did an internship with your company. The student doesn't need the letter until next week. So, if you don't write the letter today, it isn't going to cause a problem for your intern. The reason why your manager delegated work to you is not important. Depending on the tasks involved, shortcuts are not always an option and can often lead to unsatisfactory results. Long-term goals are objectives that will take a year or more to reach. Daily work tasks are closely aligned with short-term rather than long-term goals.
SOURCE: OP:228
SOURCE: Vandelay Design. (2011, April 21). *7 Tips for prioritizing tasks effectively.* Retrieved January 12, 2012, from http://vandelaydesign.com/blog/business/how-to-prioritize-tasks/

60. D

Duplicate work. Coordinating the work effort involves applying resources and tasks in ways that accomplish the business's goals in the most efficient way. Coordination helps the business run smoothly. An important aspect of work coordination is collaboration and open communication. Often, when team leaders and team members do not collaborate and communicate effectively about how and when to do the work, team members perform the work incorrectly or duplicate their efforts. In the example, Robert told two team members to perform the same task, so the price list was updated twice. Duplicated work is an inefficient use of resources because Todd could have completed another task while Sabrina updated the price list. There is not enough information to determine if Sabrina and Todd calculated the new prices accurately.

SOURCE: OP:230
SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.)
             [pp. 267-268]. Mason, OH: South-Western Cengage Learning.

61. B

The necessary tasks. To coordinate work, you must know what tasks should be done, who should do them, and the order in which they should be performed. It is important to communicate with each person involved in the work effort so they know exactly the process and procedures they need to follow to complete the work correctly. Technical changes are not always part of the work effort. High customer satisfaction levels may result when the work is coordinated effectively. The business's requirements or needs are considered when coordinating the work rather than the employees' requirements or needs.

SOURCE: OP:230
SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.)
             [pp. 267-268]. Mason, OH: South-Western Cengage Learning.

62. C

It involves the coordination of multiple activities. A project is any type of task that has a distinct beginning and end. Project management is the process of planning, scheduling, and monitoring the progress of a project to achieve a specific goal. To achieve the project goal, the project manager must coordinate the human and financial resources, equipment, and supplies to carry out the project's activities or tasks. Projects can be simple or complex and do not always require a signed contract from stakeholders.

SOURCE: OP:158
SOURCE: Sanghera, P. (2009). *90 days to success as a project manager* (pp. 8-9). Boston: Course
             Technology/Cengage Learning.

63. C

Computer programming flaws. Computer programming flaws (bugs) can cause problems when executing and controlling various aspects of a project. Important data may be misplaced, left out, or transposed. These errors can cause process delays, create financial and budgeting problems, and compromise deadlines, which threaten the project's success. Developing and executing contingency plans can help reduce the negative effects of potential threats. Effective security devices and the methods in which budgets are developed are not threats to a project.

SOURCE: OP:340
SOURCE: Wallace, S. (2007). *Issue management: Why, what, how?* Retrieved December 19, 2011,
             from http://www.epmbook.com/issues.htm

64. C
Weighted-point. There are many methods for businesses to use to evaluate their vendors' performance. The weighted-point system involves assigning a numerical rating to evaluate various performance categories. Although categories vary by business, they often include delivery and lead times, order accuracy, order cycle, service levels, technology support, product quality, quality improvement, and costs. The rating scale may range from one to five· one representing "poor performance" and five representing "excellent performance." By assigning a numerical value to various areas of performance, the business can evaluate the vendor's strengths and weaknesses and determine if improvements should be made. The cost-based system focuses on product and delivery costs. Applied-tabulation and cycle-oriented are not methods used to evaluate a vendor's performance.
SOURCE: OP:162
SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 308-313]. South-Western Cengage Learning.

65. A
Ongoing communication. Ongoing communication is necessary to build trust, respect, and a mutually beneficial partnership which, in turn, helps build a long-term business relationship. The amount of lead time depends on the nature of the product and cannot always be flexible. Policies that are too rigid may have negative effects on the relationship rather than positive effects. Autocratic management involves a dictatorial leadership style in which the leader determines all policies, maintains close control, and lets employees know only what they need to know to do the job.
SOURCE: OP:241
SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 122-125]. South-Western Cengage Learning.

66. B
To replenish its regularly-stocked items. A straight reorder is a purchase order in which the business orders normally-stocked items to replenish items that have been used or sold. Orders that are placed to accommodate customers' unique requests are special orders. A modified rebuy is a type of order in which there are changes in the quantities or styles of items that are routinely ordered. Seasonal merchandise includes items the businesses order and sell during specific times of the year when demand is high. Large retailers often use blanket orders to purchase seasonal goods (e.g., holiday gift-giving season).
SOURCE: OP:250
SOURCE: Cash, R.P., Thomas, C., Wingate, J.W., & Friedlander, J.S. (2006). *Management of retail buying* (p. 133). Hoboken, NJ: John Wiley & Sons.

67. D
Work-in-progress. Work-in-progress inventory consists of the parts and components that are used to complete the finished item. Casters and decorative hardware are examples of work-in-progress used to make furniture such as storage chests, coffee tables, and clothing armoires. Finished goods are completed products that are ready to be marketed. The perpetual inventory method records and continuously updates inventory information. MRO goods are maintenance, repair, and operating supplies such as office and cleaning supplies and employee uniforms.
SOURCE: OP:336
SOURCE: eNotes.com. (2011). *Inventory types.* Retrieved December 27, 2011, from http://www.enotes.com/inventory-types-reference/inventory-types

68. A

Item to be purchased is new and complex. It is not always necessary to negotiate terms face-to-face, which can be time-consuming and expensive. However, there are occasions in which face-to-face negotiations are desirable, such as when the business is purchasing a new item that is complex and expensive. Complex items may require the vendor to provide training and support, so the business may want to meet with the vendor to negotiate these types of details. If the expectations are clear among all parties, the costs and risks associated with the purchase are low, or the relationship is not important to either party, negotiations do not usually need to take place in face-to-face meetings.

SOURCE: OP:337

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 216-217]. South-Western Cengage Learning.

69. A

Training. Non-price issues can affect the outcome of a negotiation between a business and vendor. Often, a business will negotiate with vendors to obtain training for complex products. Credit, shipping, insurance are factors that affect pricing.

SOURCE: OP:337

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 465-466]. South-Western Cengage Learning.

70. D

Monitor quality consistency. Quality control involves ensuring the degree of excellence of a good or service. Most businesses use some type of quality control method to achieve their standards of excellence and minimize errors. The quality control methods used depend on the type of business and work that is being produced. Manufacturing companies often inspect random items as they come off the production line to ensure that the items meet their quality standards. If all the inspected items meet the established standards, the products' quality levels are consistent. Random product inspections do not improve product value, achieve sales goals, or assess employees' ideas.

SOURCE: OP:164

SOURCE: BusinessKnowledgeSource.com. (2003-2010). *Choosing the best quality control methods.* Retrieved January 19, 2011, from
http://www.businessknowledgesource.com/manufacturing/choosing_the_best_quality_control
_methods_028685.html

71. D

How to increase its efficiency. In this situation, the business is analyzing an ‰ then+situation. If the company purchases a certain type of software, then it can increase its data-entry outputs. If the company increases its outputs, it is increasing its efficiency (productivity). How does the business increase its efficiency? It installs a specific type of software. The information does not indicate how to detect a problem or why the company should evaluate work schedules. A business uses a marketing analysis to determine why it should obtain new market segments.

SOURCE: OP:327

SOURCE: B2T Training. (2012). *Essential skills for business analysis*. Retrieved January 23, 2012, from http://www.b2ttraining.com/curriculum/training-program/Business-Analyst-Skills/

72. A

Minimal input from others. Routine decisions are types of decisions that people make every day without much thought or input. For example, a business runs out of copy paper, so the purchasing manager orders some more. This type of decision does not need a lot of input from others, nor does it require the manager to write down the options, or analyze the risk. The decision is routine· the business cannot function without having the sufficient supplies.

SOURCE: PD:077

SOURCE: PD LAP 10· Weigh Your Options (Decision Making)

73. B
What are my favorite classes in school? When determining what occupation that you might want to pursue, you need to assess your interests and skills. Your favorite classes in school can help you determine the subjects that interest you. For example, if you like to do math and you do well in your accounting class, you might consider a career in accounting or finance. Or, if you enjoy writing and do well in your composition class, you might consider a career as a journalist, editor, or copy writer. The types of sports that you like, the computer programs that you currently work with, and the grade that you received on your last science exam are not questions that will help you determine your occupational interest.
SOURCE: PD:023
SOURCE: Dalton, M., Hoyle, D.G., & Watts, M.W. (2006). *Human relations* (3rd ed.) [pp. 522-524]. Mason, OH: South-Western Cengage Learning.

74. D
Join a professional online network. Networking is the process of exchanging information with others for the purpose of professional or business development and/or advancement. Professional online networks, such as LinkedIn, provide job seekers the opportunity to connect with former coworkers, managers, and friends who work in the same industry. These connections often provide job leads for job seekers. Placing an ad in an online newspaper, completing job applications on company web sites, and posting a blog about personal interests are not the best techniques to use to reconnect with others for professional networking purposes.
SOURCE: PD:037
SOURCE: JobMob. (2006-2012). *37 ideas to grow your job search network right now*. Retrieved January 19, 2012, from http://jobmob.co.il/blog/ideas-to-grow-your-job-search-network-right-now/

75. B
Advertising coordinator, promotions manager, and vice president of marketing. A career describes a lifetime work history or long-term participation in a particular field of expertise. As individuals progress in their careers, they tend to work in the same field and gain more responsibility with each job that they hold. An example of a career progression is a person who starts working as an advertising coordinator, and then moves to a higher position, such as a promotions manager. The individual may then be promoted or go to work for another company as the vice president of marketing. The remaining listings of job titles involve job changes to different areas of expertise.
SOURCE: PD:034
SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [p. 481]. Mason, OH: South-Western Cengage Learning.

76. A
Standardize behavior. A business's rules of conduct outline its expectations regarding employees' behavior in the workplace. The purpose of the rules is to provide consistent or standardized behavior among employees, which helps to maintain a fair work environment. Rules of conduct may help reduce conflict because the employees know and understand what is expected of them; however, rules do not eliminate all conflict in the workplace. Influencing opinions and assessing responses are not reasons why businesses expect employees to follow rules of conduct.
SOURCE: PD:251
SOURCE: Jones, G.R., & George, J.M. (2006). *Contemporary management* (4th ed.) [pp. 450-451]. New York: McGraw-Hill/Irwin.

77. C
William Kincaid, Purchasing Manager. The chain of command defines the level of authority and the specific individual who supervises particular employees. Levels of authority are often determined by the business function. In the example, Jana is the Vice President of Operations. Because purchasing is an operations function, and William Kincaid is the purchasing manager, he is most likely to report directly to Jana. Inventory is related to purchasing, so Cathy Cooley is most likely to report to William Kincaid. Because accounts receivable involve carrying out accounting activities, Sandra Wilson is likely to report to the accounting department manager. Media buying is an advertising activity, so Ken Bailey is most likely to report to the advertising manager.
SOURCE: PD:252
SOURCE: DuBrin, A. (2009). *Essentials of management: Instructor's edition* (8th ed.) [pp. 261-262]. Mason, OH: South-Western Cengage Learning.

78. A
Output. Organizational goals are the business's overall, desired outcomes. The business sets different types of goals to achieve its overall organizational goals. In the example, the business set a goal to produce a certain amount of product. Products are outputs, so this is an output goal. A sales goal involves the number of products actually sold. A profit goal is the amount of money the business wants to make after all of the expenses associated with the product have been paid. Effective goals are specific rather than abstract.
SOURCE: PD:254
SOURCE: Barnat, R. (1998-2007). *Organizational goals.* Retrieved December 27, 2011, from http://www.introduction-to-management.24xls.com/en104

79. A
System. System goals are types of organizational goals that impact various levels of efficiency throughout the organization. System goals involve the efficiency of many types of work processes, production efforts, human resources, etc. Product goals are organizational goals that involve the goods and services the business provides. Ideological goals involve the vision and general purpose of the company's existence. A personal goal is an individual's own goal, which may involve school, work, career, health, etc.
SOURCE: PD:254
SOURCE: Barnat, R. (1998-2007). *Organizational goals.* Retrieved December 27, 2011, from http://www.introduction-to-management.24xls.com/en104

80. A
An employee's performance goals should align with the organization's overall goals. Employees' goals should help the business achieve its overall goals. For example, a business hires a salesperson to sell products. If the employee meets her/his sales goals, s/he is helping the business meet its overall sales and profit goals. An individual's skills and strengths are criteria that employers usually consider when hiring employees and should align with the organization's goals. Although an employee's attitude is important, s/he must have the skills to perform the job. Comprehensive training programs are effective methods for educating employees and preparing them to perform the jobs. When employees are trained and educated, they are more likely to succeed in achieving their goals· goals that help the business achieve its overall goals.
SOURCE: PD:255
SOURCE: Factors. (2011). *Goal management.* Retrieved December 22, 2011, from http://www.successfactors.com/goal-management/

81. A
Time-bound. SMART is the acronym for specific, measurable, achievable, realistic and time-bound, which are the characteristics of effective goals. In the example, the goal states that phase one of the project will be done by a specific date, making it time-bound. There is not enough information provided to determine if the stated completion date is realistic. Motivational and structured are not words that apply SMART objectives.
SOURCE: PJ:005
SOURCE: Richmond, A. (n.d.). *Setting SMART goals: A better way to track your progress.* Retrieved December 9, 2011, from http://www.career-intelligence.com/management/SmartGoals.asp

82. A

Cost and schedule estimates. The statement of work (SOW) is a document that outlines the terms, commitments, and conditions of the project. Cost and schedule estimates provide stakeholders with information about the anticipated costs and timelines associated with the project. Deliverables are the goods, services, or documentation that will be provided to the stakeholder upon completion of the project. The scope statement is a component of the SOW that clearly defines the things that the project team will do, as well as the things it won't do. The example does not discuss the benefits and risks associated with the project.

SOURCE: PJ:005

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 74-76]. New York: Penguin Group.

83. D

Make the project easier to manage. Developing an effective work breakdown structure (WBS) involves dividing the entire project into units or work packages and then determining when they should be done. Dividing the work into smaller units helps the project manager monitor each step of the project. The work breakdown structure does not guarantee that the project stays within budget, nor does it verify that the team members understand their responsibilities. The project manager leads the project and is usually the person who develops the WBS.

SOURCE: PJ:006

SOURCE: NetMBA.com. (2002-2010). *Work breakdown structure.* Retrieved December 9, 2011, from http://www.netmba.com/operations/project/wbs/

84. C

Performance standards. The team leader should communicate the performance standards, which are specifications or statements that serve as a basis for comparing the desired performance with the actual performance. By understanding the standards, team members can adapt their behavior and use techniques or processes to perform the work in ways that will achieve the desired level of quality. Depending on the project and the team members' responsibilities, the performance standards may include using financial information or marketing strategies. Short-term incentives (e.g., financial bonuses) do not communicate the project manager's performance standards or expectations.

SOURCE: PJ:007

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 234-236]. New York: Penguin Group.

85. C

Archiving documents. When closing a project, important documents should be filed and stored for future reference. Determining deliverables and identifying stakeholders are activities performed during the definition phase of the project. Resources are obtained before executing the project.

SOURCE: PJ:008

SOURCE: Sanghera, P. (2009). *90 days to success as a project manager* (pp. 334, 336). Boston: Course Technology, Cengage Learning.

86. A

Systematic process. Quality assurance is a process that businesses use to prevent defective products from being created, not just to eliminate or correct them after they have already been produced. Quality assurance involves developing and executing processes in a methodical (systematic) way to ensure that the business creates products that meet its product standards. Product innovation is a part of the product-development process. Classifying information is an information-management activity. The need for supplier input depends on the type of product and the nature of the business's relationship with the supplier.

SOURCE: QM:001

SOURCE: Total Quality Assurance Services. (2011). *Definition of quality assurance.* Retrieved December 27, 2011, from http://www.totalqualityassuranceservices.com/definition-of-quality-assurance-and-control/

87. D
Customization. Product quality is affected by many factors. Customization involves making a product to meet a customer's specific needs and wants. Because each item is unique, the perception of quality differs. In the example, a customer may request that the artisan make a plate in a specific size using specific colors. Mass production is the rapid production of large quantities of goods. The example does not provide enough information to determine if the artisan has the production equipment to mass produce customized ceramic items or if the items are durable and safe.
SOURCE: QM:001
SOURCE: Du, X., Jiao, J., & Tseng, M. (2005). *Understanding customer satisfaction in product customization.* Retrieved December 27, 2011, from http://www.mendeley.com/research/understanding-customer-satisfaction-in-product-customization-1/#page-1

88. C
It involves change throughout the entire organization. Six Sigma is an internationally recognized quality management framework that was developed by Motorola. Six Sigma focuses on continuously improving quality throughout an organization while lowering its costs at the same time. An important aspect of using the Six Sigma framework is continuously setting incremental goals and measuring their success against the established benchmarks. To implement and execute Six Sigma successfully, improvement efforts should involve input and action from employees at all levels of the organization. When all employees are involved in the process, they often feel as if they have control over their work, which can increase personal job-satisfaction levels.
SOURCE: QM:002
SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.) [pp. 576-579]. Mason, OH: South-Western Cengage Learning.

89. C
Value stream mapping. To facilitate continuous improvement, some businesses use value stream mapping to plot all activities and information in the flow of production. Developed by Toyota, the value-stream map is a visual depiction of the entire production process and is used to help the business identify bottlenecks and inefficiencies. As inefficiencies are identified, the business can take action to improve processes. The 80/20 rule is a selling principle which states that 80% of a business's sales are made by 20% of its customers. A fishbone diagram is a visualization tool that helps the business find ways to solve a problem by focusing on the possible reasons for the problem. Reverse audit is not a visualization tool that businesses use to observe production flow.
SOURCE: QM:003
SOURCE: Thakur, S., & Edwards, G. (2010, December 23). *A survey of Kaizen tools.* Retrieved January 3, 2012, from http://www.brighthub.com/office/project-management/articles/100412.aspx

90. C
Insurance company did not explain all of the policy's exclusions to the store. It is unethical for an insurance company to place obscure, complex exclusions in an insurance policy without explaining them to the policyholder. Insurance policies can be very difficult to understand, so the insurance company should explain important information so the policyholder understands what the policy covers. The policyholder can reduce or manage its risk by reviewing the contract carefully (or having a lawyer review) before signing it. The insurance company can reduce the risk of policyholders filing lawsuits by explaining the policy's terms clearly. If the store owner did not pay the insurance premium on time, the policy lapsed, and the insurance company is not obligated to pay for damages. When the insurance policy was purchased is not an ethical issue in relation to the situation. The insurance policy would not cover workers' compensation. Workers' compensation covers employees who are injured on the job.
SOURCE: RM:041
SOURCE: Allen, Allen, Allen, & Allen. (2000-2009). *How insurance companies deny, delay, confuse, and refuse.* Retrieved January 23, 2012, from http://www.allenandallen.com/insurance_companies_deny.html

91. A
Fraud detection. To reduce the risk of internal theft, businesses often use fraud detection software. Fraud detection software can detect problems relating to issues, such as policy violations, embezzlement, and suspicious social networking activity, in real time. Firewalls secure a business's computer network from unauthorized external users. Malware is an illegal form of technology designed to disrupt computer systems. Antivirus software is designed to protect computers from malware.
SOURCE: RM:042
SOURCE: Infoglide Software. (2010). *Internal fraud and collusion.* Retrieved January 12, 2012, from http://www.infoglide.com/solutions/fraud-detection-and-prevention/internal-fraud-and-collusion/

92. C
File a lawsuit against the store for negligent behavior. The legal principle of duty to care states that individuals and businesses are morally obligated to be cautious and behave in ways that are not harmful to others. A business that does not take steps to ensure that its facilities are safe tends to run a higher risk of financial loss, as well as a damaged reputation. In the example, the store's unintentional negligence is a breach of duty because the wet floor caused injury to a customer. The store may experience financial losses to cover the customer's medical expenses, legal expenses, and other compensatory damages. The store's risk of financial loss decreases if Mrs. Talbot's insurance company pays her medical expenses. The hardware store was acting carelessly rather than deceptively. Disability payments made by Mrs. Talbot's employer are not a risk for the store.
SOURCE: RM:043
SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3rd ed.) [pp. 144-145]. Mason, OH: Thomson/South-Western.

93. D
Preventative. Businesses must comply with a variety of government regulations. Because regulations often change, it is important for businesses to keep up with changes so they can implement appropriate action, if needed, to stay in compliance. Monitoring regulations is a preventative action because it is taking steps to prevent the negative consequences associated with noncompliance. If a business does not comply with regulations, it can be fined, or in some situations, closed down. In addition, noncompliance may result in a poor public image that lowers the business's credibility with its customers. Corrective, reactive, and remedial actions are taken after issues or problems are identified.
SOURCE: RM:043
SOURCE: MetricStream. (2012). *CAPA/Remediation management.* Retrieved January 13, 2012, from http://www.metricstream.com/products/capa.htm

94. C
Maximize resource efficiency. Planning is the management function of deciding what will be done and how it will be accomplished. Effective planning helps the business to determine how to allocate all of its resources· human, financial, equipment· in the most efficient and cost-effective ways. Businesses are more likely to achieve their goals when they plan, but planning does not guarantee positive results. Planning does not necessarily improve interpersonal relationships, nor does it influence employees' adaptability.
SOURCE: SM:063
SOURCE: Robbins, S.P., & Coulter, M. (2007). *Management* (9th ed.) [p. 185]. Upper Saddle River, NJ: Pearson Prentice Hall.

95. D
Reduces uncertainly. Planning is the management function of deciding what needs done and how it will be accomplished. Planning is a futuristic process, which means that managers are forced to think ahead about needed resources, risks, and desired outcomes. Thinking ahead or planning reduces uncertainty because managers are evaluating various scenarios to determine the best way to achieve goals. Planning may reduce errors but does not eliminate them. Delegating work is an organizing activity, which involves assigning authority or responsibility for something to another person. Planning does not lessen the need to monitor employees, which is a controlling activity.
SOURCE: SM:063
SOURCE: HubPages, Inc. (2011). *Importance of planning.* Retrieved December 9, 2011, from
        http://youcanwin.hubpages.com/hub/Importance-of-Planning

96. D
Organizing. The organizing function of management focuses on setting up the way the business's work will be done. Organizing involves determining what resources the business needs and how the various resources will work together to accomplish the business's goals in the most efficient ways. Staffing is the management function of finding workers for the business. Directing is the management function of providing guidance to workers and work projects. Controlling is the management function that monitors the work effort.
SOURCE: SM:064
SOURCE: Academicwritingtips.org. (2012). *The organizing function of management.* Retrieved
        November 23, 2011, from http://academicwritingtips.org/component/k2/item/1478-the-
        organizing-functions-of-management.html

97. A
Structure. The organizing function of management focuses on setting up the way the business's work will be done. Organizing provides the business with structure· a systematic, orderly way for carrying out activities to accomplish the business's goals. Insight can help managers develop the best structure for the business. Leverage refers to the amount of power one person holds during a negotiation. Motivation is directing activity.
SOURCE: SM:064
SOURCE: Daft, R.L., & Marcic, D. (2009). *Understanding management: Instructor's edition* (6th ed.)
        [pp. 246-247]. Mason, OH: South-Western Cengage Learning.

98. B
Screening. Staffing is the management function of finding workers for the business. Staffing is an important function because employees do the work to accomplish the business's goals. Screening is a staffing activity that involves reviewing employment applications to determine which applicants have the skills that best fit the business's needs. Orienting is the process of familiarizing a new employee with the company. Training involves providing information or teaching skills that the employee needs to perform his/her job. Innovating is the process of generating unique ideas or products.
SOURCE: SM:065
SOURCE: Management Study Guide. (2008-2012). *Staffing process-steps involved in staffing.*
        Retrieved November 23, 2011, from http://www.managementstudyguide.com/staffing-
        process.htm

99. B
It helps clarify the employee's role in the business. Directing is the management function of providing guidance to workers and work projects. By providing guidance, managers are clarifying the employees' roles in accomplishing the business's goals. Although the business is more likely to achieve its goals if coworkers are willing to collaborate and maintain positive working relationships, directing is primarily focused on making sure that employees understand and carry out their responsibilities. Setting goals and defining the business's purpose and vision are planning activities.
SOURCE: SM:066
SOURCE: Management Study Guide. (2008-2012). *Importance of direction function.* Retrieved
        November 23, 2011, from
        http://www.managementstudyguide.com/importance_of_directing.htm

100. B
Managerial control. Control is the management function that monitors the work effort. To determine if employees or processes are working effectively and efficiently, managers must set standards by which they can measure the success of an employee's performance or the quality of a product. By comparing standards with performance (outputs) the manager can detect problems and determine if and how changes should be made to correct the problems. The example is not providing constructive criticism, internal feedback, or remedial action.
SOURCE: SM:004
SOURCE: CliffsNotes.com. (2000-2011). *The organizational control process.* Retrieved November 23, 2011, from http://www.cliffsnotes.com/study_guide/The-Organizational-Control-Process.topicArticleId-8944,articleId-8925.html