



Competency-Based
Competitive Events
Written Exam
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Test Number 1079
Booklet Number _____

Business Management and Administration Cluster Exam

BLTDM - Business Law and Ethics Team Decision Making Event

HRM – Human Resources Management Series Event

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

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This comprehensive exam was developed by the MBAResearch Center. Items have been randomly selected from the MBAResearch Test-Item Bank and represent a variety of instructional areas. Performance Indicators for this exam are at the prerequisite, career-sustaining, and marketing specialist levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.



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1. Which of the following are examples of intellectual property that a business can protect by registering trademarks:
 - A. Creative formulas and ideas
 - B. Original novels and movies
 - C. New products and processes
 - D. Distinctive names and symbols
2. The goal of many governmental agencies is to protect the
 - A. rights of business.
 - B. barriers to trade.
 - C. target market.
 - D. monetary policy.
3. What is one way businesspeople can improve their active listening skills?
 - A. Controlling the conversation by monitoring their own nonverbal language
 - B. Thinking about how to respond to the speaker's message
 - C. Concentrating on remembering what the speaker says
 - D. Paying more attention to the speaker's nonverbal cues than to her/his tone of voice
4. Is it a legitimate response to a customer's inquiry for an employee to say that s/he doesn't know the answer to a customer's question?
 - A. Yes, if the employee advises the customer that s/he will get the information and will respond to the customer as soon as possible.
 - B. Yes, if the employee doesn't know the answer to the customer's question, then the customer will find another employee to provide the information.
 - C. No. Customers do not respect employees who cannot answer simple questions, so it is better to provide them with an educated guess.
 - D. No. It is the employee's responsibility to learn every aspect of the business and to be able to answer every question.
5. Identify the type of appeal used in the following persuasive message: "This new book is written by Dr. Juliet Browne, who holds a doctorate from the Harvard School of Medicine and is the Chair of the World Health Organization."
 - A. Credibility
 - B. Reason
 - C. Emotions
 - D. Shock value
6. What should the first section of an executive summary contain?
 - A. An acknowledgement of the report's sponsors
 - B. A recommended course of action
 - C. A letter of authorization
 - D. A statement of the report's purpose
7. Sharon is sending a short email progress report to the three team members she meets with regularly. What writing style is most appropriate for this type of report?
 - A. Formal, because a title page and executive summary are used in all forms of business writing to clearly convey a message
 - B. Formal, because this is a business-related email and all emails about the workplace should be formally written
 - C. Informal, because a progress report is typically viewed by persons outside the organization
 - D. Informal, because she knows the team members well and addresses them informally on a day-to-day basis
8. When the audience wants to know which course of action to take, the writer of an analytical report should focus on
 - A. logical arguments.
 - B. recommendations.
 - C. progress.
 - D. external factors.
9. At the beginning of a research report, the writer should include the
 - A. solution to the problem.
 - B. purpose of the study.
 - C. appendices.
 - D. bibliography.

10. What information should employees avoid sharing with their coworkers?
- A. Organizational tips
 - B. Current salary
 - C. Sales policies
 - D. Vacation plans
11. Learning a client's name and using it when greeting the client is a technique that promotes positive _____ relations.
- A. customer
 - B. management
 - C. employer
 - D. employee
12. One way that many businesses reinforce their service orientation through communication is by
- A. sending a directive memo.
 - B. distributing financial reports.
 - C. telling their customers the truth.
 - D. writing appealing news releases.
13. What kind of utility is created when a customer purchases a new television set?
- A. Time
 - B. Possession
 - C. Place
 - D. Form
14. Manufacturers try to produce goods in response to
- A. producer demand.
 - B. product utility.
 - C. consumer demand.
 - D. environmental factors.
15. Businesses can exhibit social responsibility by
- A. maximizing their profits.
 - B. paying income taxes.
 - C. giving political donations.
 - D. producing low-priced products.
16. Which of the following is most likely to be a result of competition:
- A. Reduction in product quality
 - B. Development of new products
 - C. High prices
 - D. More monopolies
17. Businesses' profits are at a 30-year low, but consumer savings are at an all-time high. For more than a year, unemployment has also been at record levels. What is the state of the economy?
- A. Expansion
 - B. Depression
 - C. Recession
 - D. Recovery
18. Apple produces its MacIntosh computers in China. In calculating GDP, these computers would be part of
- A. community revitalization.
 - B. the GDP for China.
 - C. the GDP for the U.S.
 - D. government purchases.
19. The United States' business culture tends to embrace self-reliance and personal accomplishment, which are characteristics of
- A. an individualist society.
 - B. the concept of collectivism.
 - C. a long-term orientation.
 - D. a team-oriented mindset.
20. Mr. Fox, a Canadian business owner, wanted to buy franchise rights to Frau Dietrich's Strudel chain, which is headquartered in Hanover, Germany. Mr. Fox was late arriving for the meeting, which is very insulting to Germans. Unfortunately, Mr. Fox did not get the deal because he failed to recognize the importance of _____ to German businesspeople.
- A. time
 - B. space
 - C. achievement
 - D. education
21. To make a good impression and communicate an attitude of success and professionalism, foreign businesspeople should wear well-made, conservative suits when they attend Argentine business meetings. This is an issue related to
- A. business management style.
 - B. gestures and problem solving.
 - C. proper table manners.
 - D. appropriate personal appearance.

22. Kevin is a Scottish businessperson who wanted to learn some key Japanese phrases to use during his meeting with Mr. Suzuki, the owner of an electronics company in Tokyo. When he greeted Mr. Suzuki for the first time, Kevin wanted to say in Japanese, "Hello, Mr. Suzuki. I am honored to meet you." But instead, Kevin bowed, smiled, and said in Japanese, "Hello, Mr. Suzuki. I would like you to kick me." Of course, Mr. Suzuki was confused and didn't know how to respond. This situation is an example of a problem that relates to
- A. attitudes toward change.
 - B. nonverbal cues.
 - C. differences in work ethic.
 - D. language barriers.
23. Although gift-giving practices often help establish positive Chinese business relationships, foreigners should avoid giving Chinese businesspeople expensive gifts, which others may perceive as
- A. insincere.
 - B. bribery.
 - C. industrious.
 - D. collaboration.
24. In many Middle-Eastern countries, showing the bottom of your shoe or foot is an offensive gesture, so it is important for foreign businesspeople to
- A. dress appropriately for the occasion.
 - B. monitor their behavior.
 - C. verify language translations.
 - D. understand the importance of punctuality.
25. When Andrea learned that her work team was meeting with a group of Saudi Arabian businesspeople, she researched the culture and discovered that Saudi Arabian women do not participate in business activities. She also read some articles that contained tips to ensure that she dressed appropriately and did not do anything to offend the Saudi Arabian men during the meeting. This situation illustrates a cultural difference related to
- A. cognitive intelligence.
 - B. age.
 - C. negotiation style.
 - D. gender.
26. A responsible person who accepts a job with a company is giving the business a
- A. proposal.
 - B. challenge.
 - C. promise.
 - D. guarantee.
27. Which of the following is an example of an employee who is accepting responsibility for his/her actions:
- A. Pete informed the team leader that Brenda's carelessness, rather than his own, was the reason for the inconsistencies in the group's project report.
 - B. Cynthia admitted to her supervisor about the billing mistake that she made on the Andrew's account.
 - C. Emily realized that she forgot to lock the warehouse door on the night that the equipment was stolen, and she didn't tell anyone.
 - D. Larry decided that he would require Bob to make the decision, so Bob would be blamed if something went wrong.
28. Planning ahead and estimating the time it will take to complete your tasks will help you to
- A. learn how to procrastinate.
 - B. manage your work commitments effectively.
 - C. improve your technical skills.
 - D. reduce your workload.
29. Two salespeople show little interest in their own activities as well as the activities of others. What type of attitude is being exhibited by the salespeople?
- A. Positive
 - B. Constructive
 - C. Indifferent
 - D. Pessimistic
30. The main reason many individuals resist change is
- A. self-confidence.
 - B. decisiveness.
 - C. discipline.
 - D. fear.

31. We all have the right to express ourselves as long as we do not _____ others' rights.
- A. respect
 - B. violate
 - C. support
 - D. influence
32. Consensus building creates high-quality solutions because
- A. everyone has a unique perspective.
 - B. only a few ideas are considered.
 - C. it is very time-consuming.
 - D. some people have more power than others.
33. Taking responsibility for your team's success or failure in achieving the vision is part of a team leader's
- A. establishing good working relationships.
 - B. being an example.
 - C. being enthusiastic.
 - D. being a good listener.
34. Persons who are conceited and domineering because they feel they are better than others have a(n) _____ attitude.
- A. defeatist
 - B. mature
 - C. inferior
 - D. superior
35. Many people pay for meals and lodging on credit through a(n)
- A. unsecured loan.
 - B. installment credit account.
 - C. budget credit account.
 - D. travel and entertainment card.
36. Lyla is applying for a loan to buy a house for the first time. Which of the following should she be certain to do when applying for the loan:
- A. Read all paperwork carefully
 - B. Overstate her assets
 - C. Sign blank documents
 - D. Inaccurately report her debts
37. Jane can determine her credit rating by
- A. obtaining a report from a credit bureau.
 - B. adding together her credit-card balances.
 - C. asking her employer for the information.
 - D. applying for an account with a credit union.
38. A decrease in the availability of raw materials is an economic risk that may result in _____ for a business.
- A. high interest rates
 - B. increased regulation
 - C. financial loss
 - D. lower turnover
39. Why would a business's stockholders be interested in the business's accounting records?
- A. To know when to send in their next dividend
 - B. To find out what benefits employees receive
 - C. To find out whether the business plans changes
 - D. To know whether they have made a good investment
40. Which of the following is a characteristic of a profit-and-loss statement:
- A. Shows the owner's financial position
 - B. Is the same as a balance sheet
 - C. Summarizes expenses and revenue from sales
 - D. Lists assets and liabilities
41. Which of the following is a measure of how well a business generates cash flow:
- A. Accounts receivable
 - B. Return on capital
 - C. Capital structure
 - D. Accounts payable
42. Which of the following is an example of helpful, printed information that businesses often give new employees during orientation:
- A. Company handbook
 - B. Annual report
 - C. Application form
 - D. Promotional brochure

43. During an executive staff meeting, the company's president stated, "Samari Enterprises experienced a three percent increase during the first quarter and a five percent increase during the second quarter of this fiscal year." The company's president is providing the group with
- A. speculation.
 - B. tacit knowledge.
 - C. personal opinion.
 - D. explicit knowledge.
44. Because Bob was angry that Laurie received the promotion that he wanted, Bob decided not to tell her about a procedure that he uses to bypass a specific problem with a computer program—a step that would save Laurie and other employees a lot of time. This is an ethical issue that is related to
- A. misleading facts.
 - B. unlawful behavior.
 - C. embezzlement.
 - D. withholding information.
45. Which of the following is an effective technological tool for businesspeople to use to share explicit knowledge simultaneously with coworkers who are in different geographic locations:
- A. Filters
 - B. Webcam
 - C. Hyperlinks
 - D. Kiosk
46. What is a Web-based tool that a business can use that provides its employees with the ability to share tacit knowledge from remote locations?
- A. Codification
 - B. Wiki
 - C. Spreadsheet
 - D. Intranet
47. To reduce the risk of employees sharing trade secrets with industry rivals, businesses might require their employees to
- A. sign a nondisclosure agreement.
 - B. develop a mission statement.
 - C. analyze annual financial reports.
 - D. complete standard personnel forms.
48. A manager watches an employee perform a work activity and writes notes that describe the process. This is an example of capturing knowledge by
- A. interrogation.
 - B. rationalization.
 - C. observation.
 - D. imitation.
49. Which of the following marketing functions often helps a business create an image:
- A. Promotion
 - B. Advertising
 - C. Public relations
 - D. Selling
50. What is an important question that all businesses should answer about their ethical behavior in managing their customers' information?
- A. Where can we obtain general demographic information about untapped market segments?
 - B. What information do we need to obtain about our customers to determine their ability to pay?
 - C. What research method will provide the most comprehensive results about our competitors' activities?
 - D. How do we obtain information about our customers in ways that do not violate their privacy?
51. Many presentation software programs allow users to
- A. copyright their graphics.
 - B. include voice narration.
 - C. calculate numerical data.
 - D. analyze organizational progress.
52. Which of the following is a standard function of most spreadsheet software programs:
- A. Managing database files
 - B. Preparing promotional brochures
 - C. Performing financial calculations
 - D. Creating slide presentations
53. Haley has completed a new page to add to her employer's existing web site. What does she need to do next?
- A. Upload the page to the web server
 - B. Obtain a domain name
 - C. Select an Internet service provider
 - D. Add the page to the internal network

54. The ONT Company is a very large firm that handles many types of projects. What type of project-management software program would be the best choice for ONT to use?
- A. Costing
 - B. Scheduling
 - C. Corporate-level
 - D. Individual-level
55. Why is it important for businesses to maintain records about the quantities and types of products that customers are purchasing?
- A. To develop new displays
 - B. To forecast future sales
 - C. To plan credit programs
 - D. To organize special events
56. What type of internal business record will help a firm determine the status of its supplies?
- A. SWOT analysis
 - B. Income statement
 - C. Inventory report
 - D. Credit report
57. Which of the following is unethical behavior in the operations function of business:
- A. Sharing a vendor's competitive bid information with another supplier
 - B. Using negotiating techniques to encourage a vendor to make concessions
 - C. Developing scorecards to evaluate suppliers' performance levels
 - D. Setting deadlines for vendors to submit their bids
58. The Maxwell Manufacturing Company regularly inspects its production equipment and conducts regular maintenance activities to ensure that the equipment works correctly. By conducting these activities, Maxwell is complying with laws that relate to
- A. discrimination.
 - B. workplace safety.
 - C. chemical emissions.
 - D. technical security.
59. When should an individual consider administering first aid to the victim in an accident situation?
- A. When the law requires it
 - B. When company policy requires it
 - C. When immediate treatment is essential
 - D. When the state has a Good Samaritan Law
60. Why is it important for business employees to follow established security procedures?
- A. To avoid the risk of accidents
 - B. To create a pleasant facility
 - C. To reduce the possibility of loss
 - D. To develop a healthy environment
61. Which of the following activities should be an employee's top priority:
- A. Preparing a purchase order that needs to be faxed to the vendor in two days
 - B. Completing a status report that takes 45 minutes to prepare for a meeting that will occur in an hour
 - C. Making reservations at a local restaurant for a business luncheon that is going to be held in two weeks
 - D. Photocopying a three-page document for a meeting with a customer that is scheduled to occur five hours from now
62. Which of the following situations is an example of employees coordinating their work efforts:
- A. Sarah calls a vendor to verify the delivery date of an order, while Shelley sells products.
 - B. Bob unpacks a shipment and places the items on shelves in the warehouse.
 - C. Gavin orders inventory based on the forecast that Madelyn has prepared for him.
 - D. Ed reviews his monthly financial report to verify his calculations.
63. Maddie and her project team are developing a landscape design plan for a new office complex. Midway through the project, the project client tells Maddie that the team's plans must include a walking/jogging trail. Even though this is the first time that the client has mentioned this idea to anyone on the team, Maddie agrees to add the trail to the design plan. This is an example of
- A. scope creep.
 - B. backing in.
 - C. fast tracking.
 - D. micromanagement.

64. Jane owns a small business and would order merchandise for her business every two weeks directly from a
- A. craft union.
 - B. trade mission.
 - C. retailer.
 - D. vendor.
65. To maintain favorable relationships with vendors, a business must
- A. develop a decentralized buying structure.
 - B. use aggressive negotiation tactics.
 - C. implement return policies.
 - D. have a cooperative orientation.
66. A business with a cooperative orientation tends to view its relationships with vendors as
- A. obligations.
 - B. partnerships.
 - C. long-term rivalries.
 - D. short-term transactions.
67. On what type of purchase order are you most likely to find the following information:
- This order covers the MRE Manufacturing Company's purchase of ½" rubber gaskets, Model # 62376 metal washers, and ¾" PVC piping beginning April 10, 2012 through March 31, 2013. The prices stated in your quotation dated January 31, 2010 are effective until March 31, 2013.
- A. Custom
 - B. Blanket
 - C. Service
 - D. Referral
68. Which of the following are examples of raw materials that a business might keep on hand for production:
- A. Leather, bolts, stapler, and ore
 - B. Grain, minerals, leather, and oil
 - C. Minerals, tables, leather, and paper
 - D. Oil, grain, shoes, and household cleanser
69. The Simpson Company is negotiating discount terms with Cornwell Manufacturing, a prospective vendor. During the negotiation, Cornwell states that it is willing to offer Simpson a six-percent discount on orders over \$50,000. Although Simpson would rather have an eight- percent discount, it agrees to the terms, hoping to obtain something it wants later in the negotiation. This is an example of a
- A. position.
 - B. withdrawal.
 - C. plea.
 - D. concession.
70. What must be done first to begin a Six Sigma Improvement Model?
- A. Review data to determine if change needs to be made
 - B. Collect data to measure areas identified as problematic
 - C. Make improvements to areas with low customer satisfaction scores
 - D. Define the gaps between customer satisfaction and the company's capabilities
71. What might stockholders do if a corporation was unable to pay dividends because of excessive expenses?
- A. Reduce earnings
 - B. Organize a takeover
 - C. Invest elsewhere
 - D. Buy additional shares
72. Belinda is reviewing departmental reports to determine why the business's outputs have been decreasing steadily over the last six weeks. Belinda is analyzing issues related to
- A. production.
 - B. distribution.
 - C. finance.
 - D. human resources.
73. A guideline for determining a healthy weight for an individual is that body weight should be in proportion to
- A. sleeping habits.
 - B. age and nutrition.
 - C. height and bone structure.
 - D. personal grooming.
74. Which part of the time-management process helps you get a better idea of when you're most productive?
- A. Setting goals
 - B. Identifying objectives
 - C. Creating "to-do" lists
 - D. Keeping a time log

75. Why is it effective to visit a business's employment office when conducting a job search?
- A. To contact other applicants
 - B. To schedule an interview
 - C. To locate unadvertised openings
 - D. To meet with department managers
76. An effective résumé provides a prospective employer with the information needed to judge the applicant's qualifications without being
- A. detailed.
 - B. lengthy.
 - C. specific.
 - D. concise.
77. Two common methods for locating a professional organization/association that satisfies the needs of a prospective member are
- A. purchasing a classified advertisement or questioning other people.
 - B. contacting group headquarters or hoping to be sent an invitation.
 - C. questioning other people or contacting group headquarters.
 - D. hoping to be sent an invitation or purchasing a classified advertisement.
78. Dora has been arriving late to work once or twice a week. Because Dora is not following the company's rules of conduct, what action is Dora's employer likely to take?
- A. Promote Dora
 - B. Reprimand Dora
 - C. Excuse Dora's tardiness
 - D. Assign Dora additional work
79. Sally is a production-line worker who is experiencing problems with the production equipment. Following the appropriate chain of command, Sally should report the problem to
- A. Linda, the operations manager.
 - B. Sylvia, the vice president of operations.
 - C. Tom, the production-section manager.
 - D. Jim, the production-line supervisor.
80. What type of organizational goal involves setting standards in relation to the target market's expectations?
- A. Employee
 - B. Consumer
 - C. Technology
 - D. Financial
81. One way to determine if an employee is helping a business to achieve its organizational goals is by
- A. analyzing external economic factors.
 - B. providing the employee with extensive training.
 - C. evaluating the employee's performance.
 - D. developing an incentive program.
82. So that a business can achieve its organizational goals, the business's employees must have
- A. comprehensive analytical skills.
 - B. adequate training.
 - C. detailed reports.
 - D. unlimited resources.
83. What question should the purpose statement of a project's statement of work (SOW) answer?
- A. What materials do we need to do this project?
 - B. What is this project going to produce?
 - C. Why are we doing this project?
 - D. Who will carry out this project?
84. The primary purpose of developing a work breakdown structure (WBS) for complex projects is to
- A. monitor human resources and supplies.
 - B. document the benefits of the project.
 - C. organize the work in a logical sequence.
 - D. identify potential stakeholders.
85. Corrine is the project manager for a research project. Yesterday, Corrine told Anthony, one of the project team members, that he is responsible for developing the sample plan for a survey. What was Corrine doing?
- A. Providing guidance
 - B. Monitoring processes
 - C. Delegating work
 - D. Evaluating performance

86. Which of the following is an activity performed during the close-out phase of a project:
- A. Sequencing tasks
 - B. Documenting results
 - C. Selecting resources
 - D. Setting goals
87. During what phase of the project does the project manager release the project's equipment, supplies, and team members?
- A. Closing
 - B. Implementation
 - C. Planning
 - D. Definition
88. An important aspect of Jason's job is developing better, more efficient organizational processes. The aspect of quality management in which Jason is involved is
- A. consistency.
 - B. assurance.
 - C. deviation.
 - D. improvement.
89. Which of the following quality management frameworks uses martial arts terminology to identify individuals necessary for its implementation:
- A. Quality Max
 - B. ITIL
 - C. CMMI
 - D. Six Sigma
90. A primary reason it is important for businesses to continuously try to improve work processes is to
- A. communicate effectively.
 - B. motivate employees.
 - C. encourage creativity.
 - D. increase efficiency.
91. To control the business's level of risk, management needs to clearly communicate the business's code of ethics to employees because
- A. businesses usually do not address ethical issues in their employee handbooks.
 - B. the government requires all businesses to provide in-depth ethics training programs.
 - C. the employees' personal ethics may differ from the business's ethics.
 - D. business policies tend to change in terms of what is considered ethical behavior.
92. When a company uses computer software to assess the risk levels associated with alternative actions in a variety of business situations, it is conducting
- A. qualitative research.
 - B. product feasibility study.
 - C. top-down forecasting.
 - D. what-if planning.
93. Vanessa, who is opening a new fitness center, is concerned about the risks that she, her employees, and her customers could encounter while at her facility. As a result, Vanessa has developed a list of guidelines for her staff to follow: gather a medical history from each customer, provide every customer with instructions for using the exercise equipment, and maintain CPR certification. By instituting these policies, Vanessa hopes to avoid _____ lawsuits.
- A. private nuisance
 - B. negligence
 - C. breach-of-contract
 - D. discrimination
94. In a large company, a separate department often is responsible for finding workers for the business. What management function is this department performing?
- A. Controlling
 - B. Planning
 - C. Directing
 - D. Staffing
95. What must occur before any management functions can be carried out?
- A. Brainstorming
 - B. Analyzing
 - C. Processing
 - D. Planning
96. What function of management establishes a company's levels of authority?
- A. Controlling
 - B. Staffing
 - C. Organizing
 - D. Evaluating

97. Melanie is showing a group of new employees how to perform work-related tasks. What staffing activity is Melanie performing?
- A. Interviewing
 - B. Recruiting
 - C. Training
 - D. Appraising
98. A production supervisor provides a new line worker with information about how to assemble an item. What management function is the production supervisor performing?
- A. Directing
 - B. Staffing
 - C. Organizing
 - D. Planning
99. What is an important element of all businesses that managers must control?
- A. Benefits
 - B. Competitors
 - C. Finances
 - D. Incentives
100. An assistant bank manager overhears one of her tellers incorrectly quote a savings-account interest rate to a potential customer. Rather than waiting until later to address the problem, the manager corrects the teller immediately and makes sure the teller gives the customer the correct information. Which of the following controls is taking place:
- A. Concurrent control
 - B. Preventive control
 - C. Feedback control
 - D. Post control



KEY

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1. D

Distinctive names and symbols. Intellectual property is a type of intangible personal property that many businesses own. Businesses are able to obtain protection for certain types of intellectual property through a variety of laws. For example, a business can protect its distinctive name and symbol by registering a trademark. A trademark is a symbol, design, or word used by a business to identify a good or service. By registering its trademark, others are prohibited from using or copying it without the business's permission. Original novels and movies are protected by copyrights. New products and processes, and creative formulas and ideas may be protected with patents.

SOURCE: BL:001

SOURCE: Miller, R.L., & Jentz, G.A. (2005). *Fundamentals of business law* (6th ed.) [pp. 106-108]. Mason, OH: Thomson/South-Western.

2. A

Rights of business. Many governmental agencies are responsible for enforcing rules and regulations that are intended to protect the rights of businesses. Some of these agencies help to keep the marketplace competitive and protect businesses' trade secrets and formulas from being stolen. The agencies often develop a strong relationship with businesses in the process of protecting their rights. Governmental agencies do not protect the barriers to trade, the target market, or the monetary policy.

SOURCE: BL:072

SOURCE: Miller, R.L., & Jentz, G.A. (2005). *Fundamentals of business law* (6th ed.) [pp. 5-6]. Mason, OH: Thomson/South-Western.

3. C

Concentrating on remembering what the speaker says. One technique people use to improve listening skills is to make a conscious effort to try to focus and remember what the speaker says. Staying focused on the message and filtering out noise as much as possible improves the chances of remembering and accurately understanding the message. Listeners may want to be aware of their own body language (e.g., facial expressions, crossed arms) because their nonverbal cues are also being interpreted by the speaker and can affect communication. However, monitoring one's own nonverbal cues does not necessarily mean that the listener takes control of the conversation. Thinking about how to respond to messages while the speaker is talking is a barrier to active listening. To decipher a message accurately, the listener must not only pay attention to the speaker's words but also to her/his nonverbal cues and voice tone. Nonverbal cues are not necessarily more important than tone of voice.

SOURCE: CO:017

SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 424-426]. Boston: McGraw-Hill/Irwin.

4. A

Yes, if the employee advises the customer that s/he will get the information and will respond to the customer as soon as possible. If an employee doesn't know the answer to a question, s/he should be honest with the customer. However, it is important for the employee to go a step further. This step might involve letting the customer know where s/he can find the information or for employee to obtain the information and provide the customer with an answer in a timely manner. Customers are more likely to respect an employee who is honest with them and is willing to do what s/he can to help them. Employees should not guess because the information they provide may be incorrect or misleading. Employees do not need to know every aspect of the business; however, they should learn enough about the business to know from where or from whom the customer can obtain the desired information.

SOURCE: CO:060

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 119-121]. Boston: McGraw-Hill/Irwin.

5. A

Credibility. Credibility is achieved when the audience has confidence in the persuader. In this case, Dr. Browne's prestigious job title and degree lead the audience to believe she is a credible source. Reason is when logic is used to persuade someone to do something. It often involves solid facts and statistics. An emotional appeal affects the audience's feelings, such as sympathy or love. An appeal that uses shock value is a form of an emotional appeal that includes information that the audience would find shocking.

SOURCE: CO:031

SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [pp. 326-328]. Mason, OH: Thomson South-Western.

6. D

A statement of the report's purpose. The executive summary provides an overview of the entire report and contains the most important information included in the body of the report. The first section of the executive summary should inform the reader about the purpose of the report—the reason the report exists. For example, if the report addresses a specific business problem, the report should cite the problem in the purpose statement of the executive summary. Recommendations are addressed in the recommendations section of the report. A letter of authorization might be included in a proposal that a business submits to a potential client. By signing the letter of authorization, the client provides approval to proceed with an activity or project. The first section of an executive summary does not acknowledge sponsors. Sponsors support activities, events, or projects rather than reports.

SOURCE: CO:091

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 456, 461, 474]. Upper Saddle River, NJ: Pearson Prentice Hall.

7. D

Informal, because she knows the team members well and addresses them informally on a day-to-day basis. Short reports, such as emails, usually involve personal relationships where the communicators know each other well and comfortably address each other informally at the workplace and in written communications. Generally, email (especially those messages between people who know each other well) is used to quickly communicate, and therefore is written informally. A progress report gives members of a team or their supervisors information on the status of a project. It is not transmitted outside this group. Simple reports, such as those conveyed by email, do not adhere to the rules of a complex structured report. No title page or executive summary is necessary.

SOURCE: CO:094

SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 306-317]. Boston: McGraw-Hill/Irwin.

8. B

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

SOURCE: CO:185

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

9. B

Purpose of the study. A research report is a written document that summarizes an investigation related to a particular issue or problem. A research report contains many elements. The purpose of the study states why the topic at hand is being investigated. The purpose of the study should be described in the report's introduction, which is at the beginning of the report. Stating the purpose of the study is important because it lets readers know what they are reading and why. Proposed solutions to a problem (recommendations) are addressed near the end of the document after the research has been presented. The appendices are segments that include supporting information, and are added to the end of a document. The bibliography contains the list of resources from which the writer obtained information for the report. The bibliography is generally placed at the end of the research report—after the recommendations section and before the appendices.

SOURCE: CO:186

SOURCE: Trochim, W. (2006, October 20). *Key elements*. Retrieved November 13, 2012, from <http://www.socialresearchmethods.net/kb/guideelements.php>

10. B

Current salary. Certain information is considered personal and confidential and should not be shared with coworkers. An employee's salary is confidential information between the business and the employee and should not be divulged to others. Organizational tips, sales policies, and vacation plans are not considered confidential information, so it is generally okay for employees to share this information with coworkers if they want to.

SOURCE: CO:014

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 185). New York: Glencoe/McGraw-Hill.

11. A

Customer. Recognizing customers and calling them by name makes them feel welcome and important to the business. They appreciate the recognition and are likely to return to the business. Positive management and employer and employee relations involve those in the work situation.

SOURCE: CR:003

SOURCE: CR LAP 1—Accentuate the Positive (Nature of Customer Relations)

12. C

Telling their customers the truth. A service orientation is the philosophy of providing quality service to customers. Businesses reinforce this orientation through communication. To be effective, the communication should be truthful and provide customers with accurate information and correct answers to their questions. Even if the answers are not the ones that customers want, they will respect the business for being truthful. For example, it is better to tell customers that their orders will be shipped in five days rather than promise shipment in two days if that is not possible. Businesses do not reinforce their service orientation through communication by distributing financial reports, sending directive memos, or writing appealing news releases.

SOURCE: CR:005

SOURCE: Odgers, P. (2004). *The world of customer service* (pp. 101-102). Mason, OH: South-Western.

13. B

Possession. Possession utility is usefulness created when the ownership of a product is transferred from the seller to the buyer. The ownership of the television set is transferred to the customer at the time of purchase. Place utility is usefulness created by making goods or services available at the place where they are needed or wanted by consumers. Form utility is usefulness created by altering or changing the form or shape of a good to make it more useful to consumers. Time utility is usefulness created when products are made available at the time they are needed or wanted by consumers.

SOURCE: EC:004

SOURCE: EC LAP 13—Use It

14. C
Consumer demand. When demand for a product is high, production is increased to ensure that adequate quantities are available for sale. When demand is low, production is cut back to prevent the possibility of loss from surplus products that cannot be sold at prices high enough to cover the costs of production. The utility, or usefulness, of a product helps to create consumer demand for that product. Demand may, or may not, be affected by factors in the environment.
SOURCE: EC:005
SOURCE: EC LAP 11—It's the Law (Supply and Demand)
15. A
Maximizing their profits. A business that maximizes its profits grows and is able to provide profits to stockholders, benefits to its employees, and jobs for more workers. To do this, the business must offer quality products at competitive prices rather than trying to produce low-priced products. Businesses are required by law to pay income tax. Their political donations must also follow legal guidelines since such gifts are more likely to be given to benefit the business than in an effort to be socially responsible.
SOURCE: EC:070
SOURCE: EC LAP 20—Business Connections (Business and Society)
16. B
Development of new products. Competition encourages businesses to develop new products in order to meet consumers' needs. Businesses feel that the company which best satisfies consumers will be the most successful company. Competition helps to control prices because businesses must keep prices in line with production costs in order to be competitive. Businesses must also maintain or improve product quality to be competitive. A monopoly exists when a market is controlled by one supplier, and there are no substitute goods or services readily available. No competition exists in a true monopoly.
SOURCE: EC:012
SOURCE: EC LAP 8—Ready, Set, Compete! (Competition)
17. B
Depression. In an economic depression, consumers often choose to save their incomes due to uncertainty about the future. Many of them also lose their jobs, so there is more incentive to save than to spend. In a period of economic expansion, consumers spend more and save less because they are optimistic about the future. During times of economic recession, consumers are inclined to save more and spend less; however, it is for a shorter time period than an economic depression. In an economic recovery, consumers begin to spend again because there is optimism about the future of the economy.
SOURCE: EC:081
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials: Teacher wraparound edition* (pp. 64-66). Woodland Hills, CA: Glencoe/McGraw-Hill.
18. B
The GDP for China. MacIntosh computers produced in China would be part of the GDP for China, not for the U.S., because their production occurred outside the boundaries of the U.S. Government purchases include everything purchased by local, state, and federal governments. The manufacturing of computers in China contributes to China's economy but does not automatically create improvements to the community known as community revitalization.
SOURCE: EC:017
SOURCE: EC LAP 1—Measure Up? (Gross Domestic Product)
19. A
An individualist society. An individualist society is one in which group ties are loose and everyone is expected to take care of himself/herself. When a person takes care of herself/himself, s/he is being self-reliant. Because self-reliant people are independent, they take pride in accomplishing goals on their own. Collectivism embraces interdependence, group affiliation, and team orientation. A long-term oriented society focuses on future rewards and values actions such as persistence.
SOURCE: EC:130
SOURCE: Roberts, K., & Taylor, S. (n.d.). *Geert Hofstede analysis for United States of America*. Retrieved November 14, 2012, from <http://www.cyborlink.com/besite/us.htm>

20. A

Time. The concept of time is an important consideration when doing business with foreigners. In some cultures (e.g., Germany), punctuality is very important; therefore, it is important to be on time to any meetings or social gatherings. In other cultures, time is less important or is viewed differently. For example, in some countries, businesspeople will keep people waiting while they finish another activity, so that s/he can provide the visitor with his/her undivided attention. This action may appear rude to people in some cultures, while it is viewed as a courtesy in other cultures. Spatial issues refer to the amount of personal space (close, distant) different cultures allow during interpersonal interaction. Achievement is the level to which a person reaches his/her personal goals. Education is the type and level of training or schooling that a person has obtained.

SOURCE: EC:131

SOURCE: Priest, M. (n.d.). *Germany: Behavior*. Retrieved November 14, 2012, from <http://www.cyborlink.com/besite/germany.htm>

21. D

Appropriate personal appearance. Personal appearance is the physical image an individual creates by how s/he looks and what s/he wears. In many countries such as Argentina, businesspeople are judged on their appearance; therefore, it is important to “dress for success” to communicate a professional attitude. The type of clothing that a person wears does not relate to his/her gestures, problem-solving skills, table manners, or business management style.

SOURCE: EC:132

SOURCE: World Business Culture. (2012). *Argentine dress code*. Retrieved November 13, 2012, from <http://www.worldbusinessculture.com/Argentine-Business-Dress-Style.html>

22. D

Language barriers. Misusing and mispronouncing words in another language can create a lot of misunderstandings and be very embarrassing in a business situation. When language is an issue, it is often best to hire a professional translator for meetings with foreign businesspeople. Nonverbal cues (body language) are gestures, facial expressions, and the way people carry their bodies. The example does not provide enough information to determine if Kevin and Mr. Suzuki have different work ethics or if they have attitude problems related to change.

SOURCE: EC:133

SOURCE: Ball, D.A., McCulloch, W.H., Frantz, P.L., Geringer, J.M., & Minor, M.S. (2006). *International business: The challenge of global competition* (10th ed.) [pp. 198-200]. Boston: McGraw-Hill/Irwin.

23. B

Bribery. Gift giving practices vary greatly among countries. In some countries, it is customary, or expected, to give gifts in business situations. In China, gift giving is a ritual that promotes a sincere desire to build positive, collaborative business relationships. However, foreigners should not give Chinese businesspeople overly expensive or extravagant gifts, which may unintentionally suggest a bribe. Bribery is an illegal payment intended to secure business or products in return. Industrious means hardworking.

SOURCE: EC:133

SOURCE: World Business Culture. (2012). *Chinese meetings*. Retrieved November 13, 2012, from <http://www.worldbusinessculture.com/Business-Meetings-in-China.html>

24. B

Monitor their behavior. A gesture, facial expression, or action may be perfectly acceptable in one culture but offensive in another culture. Therefore, a businessperson should become familiar with a foreign country's customs, attitudes, and codes of acceptable conduct before important business meetings, so s/he does not behave in an offensive manner. Although it is important to dress appropriately, verify language translations, and understand the country's attitude of punctuality (time), these actions do not relate to the nonverbal cues or body language presented in the example.

SOURCE: EC:134

SOURCE: Butler, P. (n.d.). *United Arab Emirates: Behavior*. Retrieved November 14, 2012, from <http://www.cyborlink.com/besite/uae.htm>

25. D

Gender. Gender refers to an individual's sex—male or female. Different cultures have different expectations and rules in terms of gender roles. In Saudi Arabia, men play a dominate role in business situations, and woman take on more passive roles. By doing research about the Saudi Arabian culture, Andrea learned ways to adapt to the Saudi Arabian culture during the meeting. The situation does not illustrate cultural differences related to age, negotiation style, or cognitive intelligence.

SOURCE: EC:134

SOURCE: World Business Culture. (2012). *Women in business in Saudi Arabia*. Retrieved November 13, 2012, from <http://www.worldbusinessculture.com/Women-in-Business-in-Saudi-Arabia.html>

26. C

Promise. The employee is, in effect, promising to do a specific job for the employer to the best of his/her ability at an agreed-upon salary. There is no guarantee that this will happen, just an understanding. This should not present a challenge to the employer. A proposal is a suggestion or an idea presented for consideration.

SOURCE: EI:021

SOURCE: PD LAP 7—Make the Honor Role (Acting Responsibly)

27. B

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

SOURCE: EI:075

SOURCE: Payne, S. (2010, January 19). *Accepting responsibility for your own work*. Retrieved November 13, 2012, from <http://www.helium.com/items/1587239-accepting-responsibility-for-your-own-work>

28. B

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

SOURCE: EI:077

SOURCE: Time Management. (2006-2012). *Manage your scheduling commitments—six effective guidelines to get things done (part 1)*. Retrieved November 13, 2012, from <http://www.timemanagement.info/111/manage-your-time-scheduling-commitments-six-effective-guidelines-to-get-things-done/>

29. C

Indifferent. The salespeople are displaying indifference or a lack of interest. Negative people are often indifferent and show little interest in their own activities or the activities of others. Salespeople with a positive attitude would be interested in their jobs and interested in helping customers. A pessimistic attitude is a gloomy outlook—expecting the worst. Salespeople who have a constructive attitude are helpful and useful.

SOURCE: EI:019

SOURCE: EI LAP 3—Opt for Optimism (Positive Attitude)

30. D
Fear. Regardless of whether the change is great or small, many people seem to fear and resist change. Any change has the potential to threaten a person's security. People who are decisive, disciplined, and self-confident may still fear change, but these traits help them to overcome their fears and make necessary changes.
SOURCE: EI:026
SOURCE: QS LAP 15—Stuff Happens! (Adaptability)
31. B
Violate. In a free society, we have the right to express our thoughts, feelings, and opinions in ways which do not infringe upon or violate the rights of others. We should support and respect the rights of others, but we may not be able to influence them.
SOURCE: EI:008
SOURCE: EI LAP 18—Assert Yourself (Assertiveness)
32. A
Everyone has a unique perspective. Consensus building creates high-quality solutions because every group member brings a unique perspective to the table. This mix of ideas and expertise helps the group to come up with the best solutions and decisions possible. Consensus building can be very time-consuming, but this is not why it creates high-quality solutions. In consensus building, the group should consider as many different ideas as possible. Consensus means that everyone has equal power.
SOURCE: EI:011
SOURCE: EI LAP 19—It's a Group Thing (Consensus Building)
33. B
Being an example. Taking responsibility for your team's success or failure as it works toward the vision is being an example and a sure sign of solid leadership. This responsibility does not necessarily relate to working relationships, demonstrating enthusiasm, or being a good listener.
SOURCE: EI:060
SOURCE: EI LAP 13—Vision Quest (Enlisting Others in Vision)
34. D
Superior. Persons with this attitude are often inconsiderate, which causes poor working relationships with others. Mature persons respect themselves and others. Persons with feelings of inferiority think others are better than themselves. A defeatist is a person with a negative attitude.
SOURCE: EI:037
SOURCE: EI LAP 5—Can You Relate? (Positive Working Relationships)
35. D
Travel and entertainment card. These cards are especially popular with travelers who do not wish to carry large amounts of cash. Customers must have an excellent credit rating to obtain a card and are billed monthly. An unsecured loan is an amount of money borrowed by an individual or business by signing a note promising to repay the loan. An installment credit account is a credit account set up to handle one total amount of credit that is to be paid off in regular installments. Budget credit accounts are a form of short-term credit with a payment due every 30 days.
SOURCE: FI:002
SOURCE: FI LAP 2—Give Credit Where Credit is Due (Credit and Its Importance)
36. A
Read all paperwork carefully. Lyla should make sure she has read and understood all of the paperwork associated with the loan before signing it. She should be up front about her financial situation, so she should not inaccurately report her debts or overstate her assets. She should never sign a blank document, as doing so can lead to fraud.
SOURCE: FI:063
SOURCE: Liberty Home Loans. (n.d.). *Loan programs - finding the right one for you*. Retrieved November 13, 2012, from http://www.libertyhomeloans.com/mort_learn_cent/loan_program.html

37. A

Obtaining a report from a credit bureau. By reviewing her credit-history reports, Jane can determine if there are any problems or discrepancies with her credit and work to get them resolved. Individuals and businesses can obtain credit reports from an authorized credit bureau. The credit report contains a credit rating, which "scores" the individual's ability or willingness to pay previous loans. Individuals often validate their credit history before applying for additional credit to make sure that the information in the history is accurate. Businesses review a person's credit report to make decisions about extending credit to him/her. Jane cannot obtain her credit rating by adding together her credit-card balances or by applying for an account with a credit union. A credit union is a financial cooperative set up to provide savings and credit services to its members—usually within a business or labor union. Although an employer may obtain an employee's credit report from an authorized credit bureau, the employer may not have the most current information on file.

SOURCE: FI:072

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 172-175). New York: Glencoe/McGraw-Hill.

38. C

Financial loss. A decrease in the availability of raw materials, supplies, or products needed by a business are economic risks that can result in financial loss for the business. For example, a decrease in the availability of petroleum can cause business's transportation costs to skyrocket. High interest rates is a business condition that can create economic risks. The involvement of government in the regulation of business may cause financial loss for some businesses. High turnover, rather than low turnover, is an economic risk.

SOURCE: FI:084

SOURCE: FI LAP 8—Prepare for the Worst...Expect the Best (Nature of Risk Management)

39. D

To know whether they have made a good investment. Individuals who have invested their money in a business are its stockholders, and they are interested in the profits shown on the firm's accounting reports. This information tells them whether they have made a good investment or should change their investment to another company. Stockholders usually receive dividends from the business. Accounting reports do not show planned changes or employee benefits.

SOURCE: FI:085

SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)

40. C

Summarizes expenses and revenue from sales. A profit-and-loss statement is a business's financial picture that lists all revenue and expenses for a certain time period. A profit-and-loss statement is not the same as a balance sheet. Characteristics of a balance sheet include listing assets and liabilities and showing the owner's financial position.

SOURCE: FI:094

SOURCE: FI LAP 4—Watch Your Bottom Line (Income Statements)

41. B

Return on capital. Return on capital is a measure of how well a business generates cash flow. It is a key component of managing working capital. Accounts receivable refers to money owed to the business by others. Capital structure refers to a business's mix of financing. Accounts payable refers to the money the business owes to others.

SOURCE: FI:354

SOURCE: FI LAP 7—Money Matters (Role of Finance)

42. A
Company handbook. Many businesses develop company handbooks that they give to new employees during the orientation process. The handbooks usually contain information about company policies and procedures and employee benefits and responsibilities. The information in the handbook answers many of the questions that new employees often have about the company. Annual reports and promotional brochures do not contain the type of business information that is useful to new employees. Application forms are completed before employees are hired and begin the orientation process.
SOURCE: HR:360
SOURCE: Small Business Notes. (n.d.). *Employee handbook*. Retrieved November 13, 2012, from <http://www.smallbusinessnotes.com/operating/hr/employeehandbook.html>
43. D
Explicit knowledge. Explicit knowledge is knowledge or information consisting of words, numbers, codes, processes, and formulas that are easily stored, shared, and quantified (measured). The president of the company was communicating specific, measurable, numerical data. Tacit knowledge is knowledge consisting of personal opinions, experiences, expertise, or understanding that is not easily articulated, stored, or quantified. Speculation is hearsay or rumor.
SOURCE: KM:001
SOURCE: Frost, A. (2010). *The different types of knowledge*. Retrieved November 13, 2012, from <http://www.knowledge-management-tools.net/different-types-of-knowledge.html>
44. D
Withholding information. When an employee is unwilling to share information that will help the company improve its performance, achieve a competitive advantage, or develop innovative processes, an ethical issue may exist. In the example, the employee is unwilling to share information because s/he has a personal issue with another employee. Although Bob's motives may be considered unethical by some people, he was not exhibiting unlawful behavior, providing misleading facts, or embezzling company money or property.
SOURCE: KM:002
SOURCE: Oracle. (2010, May). *Cultivating and formalizing a culture of knowledge capitalization*. Retrieved November 13, 2012, from <http://www.oracle.com/us/products/applications/tutor-upk/cultivating-and-formalizing-wp-080924.pdf>
45. B
Webcam. A webcam is a video camera that attaches to a personal computer and transmits real-time images through the Internet. Webcams are tools that many businesses use to share information and knowledge through videoconferences with people who are located in different geographic locations. Filters are computer programs that block out unwanted information (e.g., spam). A hyperlink is a component of an electronic document that can be clicked on in order to jump to another place within the document or into a different document. A kiosk is a stand-alone structure located in public places and is designed to provide information and sell products.
SOURCE: KM:003
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 21, 49]. Upper Saddle River, NJ: Pearson Prentice Hall.
46. B
Wiki. Tacit knowledge is personal opinions, experiences, expertise, or understanding that is not easily articulated, stored, or quantified. Tacit knowledge is an employee's personal "know-how" that affects the ways in which s/he does his/her job. Businesses often struggle to capture their employees' tacit knowledge, which can be helpful in achieving or exceeding the businesses' goals. Some businesses are using Wikis to facilitate the sharing of information among employees in remote locations. A Wiki application is a Web-based networking tool that allows individuals or groups to store and share their expertise, resources, and ideas. Codification is the process of assigning a means of measurement to something. Businesses use spreadsheets to calculate and summarize numerical data. An Intranet is a business's internal computer network.
SOURCE: KM:003
SOURCE: Toolbox for IT. (2008, August 27). *Knowledge capture*. Retrieved November 13, 2012, from http://it.toolbox.com/wiki/index.php/Knowledge_capture

47. A

Sign a nondisclosure agreement. A nondisclosure agreement is a contract between an employer and an employee that states that the employee will not reveal the employer's trade secrets (e.g., formula, recipe, manufacturing technique) to future employers for whom the employee might work. Nondisclosure agreements provide businesses with legal protection if a competitor attempts to use the information for financial gain or benefit. Developing a mission statement, analyzing annual financial reports, and completing standard personnel forms are not actions that will reduce the risk of employees sharing confidential knowledge with industry rivals.

SOURCE: KM:004

SOURCE: Nolo. (2012). *Trade secret basics faq: How can a business protect its trade secrets?* Retrieved November 13, 2012, from <http://www.nolo.com/legal-encyclopedia/trade-secret-basics-faq-29099-4.html>

48. C

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

SOURCE: KM:005

SOURCE: Burge, J.E. (n.d.). *Knowledge elicitation tool classification*. Retrieved November 14, 2012, from <http://web.cs.wpi.edu/~jburge/thesis/kematrix.html>

49. A

Promotion. The promotion function helps to create an image or impression of a business. For example, a business might want to change its image to attract a different or expanded target market. Coordinated promotional activities will get the message across. Advertising and public relations are promotional methods that businesses might use to create an image. Selling involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities.

SOURCE: MK:002

SOURCE: MK LAP 1—Work the Big Six (Marketing Functions)

50. D

How do we obtain information about our customers in ways that do not violate their privacy? Businesses can track their customers' purchasing habits in many ways—from Internet surfing activities to point of sale data. Businesses must carefully weigh how to obtain, store, release, and use this information to protect their customers' right to privacy. Society values this right, and if it is breached (e.g., selling customer lists to third parties without customer authorization), customers may go to competitors to purchase goods and services. When developing credit policies, businesses establish criteria and must identify the information they need to determine their customers' ability to pay. Research methods used in a competitive analysis and sources of primary and secondary research are not directly associated with the business's ethics and its customer-related data.

SOURCE: NF:111

SOURCE: Azmat, M. (2006, May 19). *Cyberethics (information management ethics)*. Retrieved November 14, 2012, from [http://ezinearticles.com/?Cyberethics-\(Information-System-Ethics\)&id=201522](http://ezinearticles.com/?Cyberethics-(Information-System-Ethics)&id=201522)

51. B

Include voice narration. Many multimedia software programs have options that allow sound (e.g., voice or ringing bell) to be included to add interest to the presentation. Sound should be appropriately placed and pertinent to the presentation theme. Businesses use spreadsheet software to make, document, and calculate numerical data. Businesses do not use presentation software to analyze organizational progress.

SOURCE: NF:008

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 201-202). Woodland Hills, CA: Glencoe/McGraw-Hill.

52. C
Performing financial calculations. Spreadsheet software enables businesses to perform accounting, financial, and other mathematical functions. A user can enter numerical information in rows and columns, and the software will perform various calculations or analyses. For example, spreadsheet programs can calculate sales forecasts and develop budget projections. Presentation software is used to create slide presentations. Desktop publishing software is used to prepare promotional brochures. Database software is used to manage database files.
SOURCE: NF:010
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 199-200). Woodland Hills, CA: Glencoe/McGraw-Hill.
53. A
Upload the page to the web server. After creating the page using a web site design program, the user needs to upload the page to the web server, which is where all of the business's web pages are stored. Because Haley is working with an existing web site, she already has a domain name or web address for the site. The Internet service provider may offer web hosting services. An intranet is an internal network of computers within an organization.
SOURCE: NF:042
SOURCE: ThinkQuest. (n.d.). *Posting your web page*. Retrieved November 14, 2012, from <http://library.thinkquest.org/13947/post.html>
54. C
Corporate-level. Large businesses often have many projects occurring at the same time. In some situations, different projects need to access the same data. Corporate-level project-management software is a powerful tool because it provides the ability to track hundreds of tasks and several projects at one time. Corporate-level project-management software typically provides cost accounting, resource leveling, "what-if" analyses, charting, and reporting capabilities. Some corporate-level software programs allow businesses to select other software options to accommodate their specific needs. Single-project programs are used for individual (single) projects. Scheduling software has fewer options than corporate-level programs, and contains primarily scheduling, Gantt charts, and presentation capabilities. Costing is a software capability rather than a type of project-management software program.
SOURCE: NF:130
SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 371-375]. New York: Penguin Group.
55. B
To forecast future sales. Businesses maintain a variety of records about the quantities and types of products that customers are purchasing. These records are usually known as sales records. By analyzing past sales records, businesses can determine what customers are buying, when they are buying, and how much they are buying. This helps a business forecast future sales so it can be prepared to offer the products that customers want. Businesses do not maintain records about what customers are purchasing to develop new displays, plan credit programs, or organize special events.
SOURCE: NF:002
SOURCE: Burrow, J.L. (2006). *Marketing* (2nd ed.) [pp. 120-121]. Mason, OH: South-Western.
56. C
Inventory report. An inventory report captures information about the status of the firm's supplies or products. For example, the inventory report may indicate that the firm is running low on copy paper for the photocopier, and that the paper should be ordered so the firm does not run out. An income statement (profit-and-loss statement) is a financial summary that shows how much money the firm has made or has lost over a period of time. A SWOT analysis is a summary of the firm's strengths, weaknesses, opportunities, and threats. A credit report provides information about the firm's or its customers' credit history.
SOURCE: NF:014
SOURCE: Microsoft.com. (2012). *Inventory reports*. Retrieved November 14, 2012, from <http://office.microsoft.com/en-us/accounting/HP011362421033.aspx>

57. A
Sharing a vendor's competitive bid information with another supplier. It is unfair for a business to share a vendor's bid information with another supplier because it provides one supplier with an advantage over the other. Using negotiating techniques to obtain concessions, developing scorecards to evaluate suppliers' performance levels, and setting deadlines for bids are ethical activities.
SOURCE: OP:190
SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [p. 570]. South-Western Cengage Learning.
58. B
Workplace safety. Governments develop regulations to ensure the safety of workers. Workers often operate dangerous equipment, so businesses must ensure that the equipment is maintained and safe to use to reduce the risk of injury. Some government regulations require that businesses have equipment inspected on a regular basis by a government agent or independent entity to ensure that the business is complying with safety regulations. Environmental laws regulate chemical emissions. Employment laws regulate discrimination in the workplace. Computer and cyberspace laws regulate technical security.
SOURCE: OP:339
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 406-409). Tinley Park, IL: Goodheart-Willcox.
59. C
When immediate treatment is essential. If an accident is serious, and the victim's life is threatened, first aid should be administered until medical help arrives. Neither the business nor the law can require anyone to administer first aid. Good Samaritan Laws protect individuals from liability when administering first aid, but they should not be the determining factor in deciding whether first aid should be administered.
SOURCE: OP:009
SOURCE: Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 406-410). Tinley Park, IL: Goodheart-Willcox.
60. C
To reduce the possibility of loss. Businesses establish security procedures, which are activities that employees should follow to protect the business from loss. These security procedures are intended to reduce the risk of robbery, assault, and other violent crimes, all of which might result in a loss for the business. For example, robbery usually results in financial loss. Employees do not follow established security procedures to create a pleasant facility, avoid the risk of accidents, or develop a healthy environment.
SOURCE: OP:152
SOURCE: Water, S. (n.d.). *Shoplifting Prevention 101*. Retrieved November 14, 2012, from <http://retail.about.com/od/lossprevention/a/stopshoplifting.htm>
61. B
Completing a status report that takes 45 minutes to prepare for a meeting that will occur in an hour. An important aspect of prioritizing work is determining how long a task will take to complete in relation to the due date or timeline. Completing a report that takes 45 minutes to prepare for a meeting that is occurring in an hour should be the employee's top priority because the meeting is scheduled to occur before any of the other tasks listed need to be completed. The employee can photocopy the document, prepare the purchase order, and make restaurant reservations after completing the report and presenting it during the meeting.
SOURCE: OP:228
SOURCE: eHow.com. (n.d.). *How to prioritize at work*. Retrieved November 14, 2012, from http://www.ehow.com/how_2293060_prioritize-work.html

62. C

Gavin orders inventory based on the forecast that Madelyn has prepared for him. Gavin does not know the type and amount of inventory to order until Madelyn provides him with the forecast that she has prepared. Therefore, Gavin and Madelyn's work activities are interdependent—they must work together and coordinate their work efforts to achieve the business's goals. Unpacking a shipment and placing the items on shelves and reviewing a monthly financial report are not situations that indicate employees are coordinating their work efforts. Sarah and Shelley are working independently rather than coordinating their efforts.

SOURCE: OP:230

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 110, 112]. New York: Penguin Group.

63. A

Scope creep. Scope creep occurs whenever the requirements for a project change or grow. In this case, a walking/jogging trail was not one of the original requirements of the landscape design plan. It is a requirement that the client is adding midway through the project. Backing in is a scheduling process that involves working your way through a project from the end to the beginning to identify activities that must be completed, along with their associated timeframes. Fast tracking is a scheduling process that involves performing more than one activity concurrently to get the project done in a shorter amount of time. Micromanagement occurs when an individual unnecessarily involves himself/herself in the work of others that s/he has asked the others to complete.

SOURCE: OP:340

SOURCE: Villanova University. (2012). *Managing scope creep in project management*. Retrieved November 14, 2012, from <http://www.villanovau.com/project-management-scope-creep/>

64. D

Vendor. A vendor is a supplier of goods or services. Jane orders her goods from a vendor. Jane is a type of business known as a retailer who purchases merchandise from manufacturers or wholesalers and resells it in small quantities to consumers. A trade mission is a group of volunteer businesspeople sponsored by a government to inform exporters about foreign markets. A craft union is a union made up of workers with a particular skill.

SOURCE: OP:015

SOURCE: OP LAP 2—Buy Right (Nature of Purchasing)

65. D

Have a cooperative orientation. When a business has a cooperative orientation, it is willing to work with other businesses to achieve their mutual goals. Having a cooperative orientation involves a willingness to share relevant information, to negotiate fairly (assertively), and to be trustworthy and reliable. Using aggressive negotiation tactics will likely not maintain favorable relationships with vendors. In fact, this action is likely to create conflict. A business does not need to use a decentralized buying structure to maintain favorable relationships with vendors. Insufficient information is provided to determine whether the return policies will help or hinder relationships with vendors.

SOURCE: OP:241

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

66. B

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

SOURCE: OP:241

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

67. B

Blanket. A blanket order is an order that covers all or part of a business's product requirements for a certain period of time. A special order is a request for a custom product or a product that a vendor does not normally carry in stock. A service order is a request for service, such as an equipment repair or installation. A referral is a recommendation rather than a type of purchase order.

SOURCE: OP:250

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [p. 62]. South-Western Cengage Learning.

68. B

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

SOURCE: OP:336

SOURCE: eNotes.com. (2012). *Inventory types*. Retrieved November 14, 2012, from <http://www.enotes.com/management-encyclopedia/inventory-types>

69. D

Concession. A concession is something that one party gives up during a negotiation. In many situations, one party will give up something that it wants and use it (the concession) as leverage to get something else that it wants later in the negotiation process. Withdrawal is a conflict response mode in which one or both parties exhibit passive behavior and express a low level of cooperation. A plea is a request. A position is what someone believes about an idea or issue.

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. 476-478]. South-Western Cengage Learning.

70. D

Define the gaps between customer satisfaction and the company's capabilities. Before any measures can be taken or improvements made, a company needs to find out what its customers want and if it is meeting those wants and needs. Once the gaps between what customers want and what the company is delivering are identified, the company can determine how it will measure improvement. Data are then collected and reviewed. After that, improvements are made and continually monitored.

SOURCE: OP:164

SOURCE: Krajewski, L.J., Ritzman, L.P., & Malhotra, M.K. (2007). *Operations management: Processes and value chains* (8th ed.) [p. 233]. Upper Saddle River, NJ: Pearson Education.

71. C

Invest elsewhere. Corporations are owned by their stockholders. These businesses are expected to earn money for their owners and to pay them regular dividends on their investments. If a business does not make enough profit to do this, investors are likely to sell their stock and to invest in another company. If a corporation was unable to pay dividends, it is unlikely that stockholders would buy additional shares. Stockholders do not reduce earnings or organize takeovers.

SOURCE: OP:025

SOURCE: OP LAP 5—Buck Busters (Employee Role in Expense Control)

72. A

Production. Business analysis is the process of investigating and evaluating a business issue, problem, process, or approach. Analysis helps the business determine if it is accomplishing goals or if it needs to make adjustments, so it can accomplish its goals. Businesses analyze many types of situations.

Production is the process of producing goods and services. When the business detects production problems (e.g., output decreases), it needs to obtain data to find out why problems are occurring, so it can take the appropriate steps to resolve the problem. Distribution is the business function of moving or transferring the ownership of goods or services from producers to consumers. Finance is the business function that involves the management of money. Human resources are the people who work to produce goods and services. There is not enough information provided to determine if the production issues relate to the production-workers' performance levels, raw materials and inventory shortages, or equipment malfunctions.

SOURCE: OP:327

SOURCE: B2T Training. (2012). *Essential skills for business analysis*. Retrieved November 14, 2012, from <http://www.b2ttraining.com/curriculum/training-program/Business-Analyst-Skills/>

73. C

Height and bone structure. You are at an appropriate weight when your weight is proportionate to your height and bone structure. Most charts that show ranges of healthy weights are set up according to height and frame. Good nutrition can help you to maintain an appropriate weight at any age. Getting enough sleep can contribute to health and appearance. Personal grooming includes all efforts to maintain personal appearance.

SOURCE: PD:002

SOURCE: PD LAP 5—Brand ME! (Personal Appearance)

74. D

Keeping a time log. Keeping a time log helps you get a better idea of when you're most productive, as well as how you're actually spending your time and what your personal "time thieves" are. Identifying objectives, creating "to-do" lists, and setting goals do not help you understand when you're most productive.

SOURCE: PD:019

SOURCE: PD LAP 1—About Time (Time Management)

75. C

To locate unadvertised openings. Many businesses have employment offices that maintain lists of all available job openings. The businesses may not advertise all of these positions but rely on potential employees to contact the business to find out about the available openings. Some businesses list jobs on bulletin boards outside the employment office in order to make it convenient for interested persons to learn about openings. After a person applies for a job, an interview is scheduled if the business has an interest in hiring that person. Potential employees do not meet with department managers when they are searching for job openings. Contacting other applicants is not a reason for visiting a business's employment office.

SOURCE: PD:026

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [p. 35]. Mason, OH: South-Western Cengage Learning.

76. B

Lengthy. Effective résumés should provide sufficient information to adequately explain the applicant's qualifications without being lengthy. Most employers have limited time and want to be able to obtain the important information in a résumé as quickly as possible. The ideal résumé is one page in length and presents important facts in as few words as possible. The information in a résumé should be concise but also as specific and detailed as necessary in order to provide an accurate explanation of the applicant's qualifications.

SOURCE: PD:031

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [pp. 50-51]. Mason, OH: South-Western Cengage Learning.

77. C

Questioning other people or contacting group headquarters. Asking other people in their profession, industry, or geographic area and contacting organization/association headquarters found in telephone directories or library listings are methods that may help prospective members find an organization/association which meets their needs. Purchasing an advertisement is costly and unnecessary. Waiting to be sent an invitation is time consuming and usually impractical.

SOURCE: PD:036

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 789-790). Woodland Hills, CA: Glencoe/McGraw-Hill.

78. B

Reprimand Dora. An employer expects her/his employees to follow the business's rules of conduct, which are the business's policies and expectations of appropriate workplace behavior. If an employee violates the business's rules of conduct, the business may take disciplinary action. Disciplinary action might include a verbal reprimand or warning for less serious infractions, such as arriving late to work. Other disciplinary actions might include counseling, revoking privileges, and implementing unpaid suspensions. Serious offenses may result in dismissal. The business is unlikely to promote Dora, assign her additional responsibilities, or excuse her tardiness.

SOURCE: PD:251

SOURCE: Noe, R.A., Hollenbeck, J.R., Gerhart, B., & Wright, P.M. (2010). *Human resource management: Gaining a competitive advantage* (7th ed.) [pp. 466-467]. New York: McGraw-Hill/Irwin.

79. D

Jim, the production-line supervisor. The chain of command defines the level of authority and identifies the specific individual who supervises particular employees. Having a chain of command helps provide structure for business. As a production-line worker, Sally should report problems to the production-line supervisor (Jim). The production-line supervisor reports to the production-section manager (Tom). The production-section manager is likely to report to the production manager, but possibly the operations manager (Linda). Executive-level managers in charge of various operations functions report to the vice president of operations (Sylvia).

SOURCE: PD:252

SOURCE: Kelchner, L. (n.d.). *The importance of following the chain of command in business*. Retrieved November 14, 2012, from <http://smallbusiness.chron.com/importance-following-chain-command-business-23560.html>

80. B

Consumer. Businesses set different types of organizational goals. When a business sets standards to accommodate the target market's needs and wants, it is setting consumer-oriented goals. Employees often use technology to carry out the activities used to achieve the business's consumer goals. Financial goals are objectives that are measured in terms of money.

SOURCE: PD:254

SOURCE: Associated Content. (2008, October 3). *The nature of organizational goals*. Retrieved November 14, 2012, from http://www.associatedcontent.com/article/1059363/the_nature_of_organizational_goals.html

81. C

Evaluating the employee's performance. A business sets the employee's work goals. The employee's work goals should help the business achieve its overall organizational goals. To determine if the employee is achieving his/her work goals, the business should evaluate the employee's performance. If the employee is achieving his/her work goals, then s/he is helping the business to achieve its organizational goals. If the employee is not achieving her/his work goals, then s/he might need additional training to improve performance. Analyzing external economic factors and developing an incentive program will not help the business determine if an employee is helping the business to achieve its organizational goals.

SOURCE: PD:255

SOURCE: Success Factors. (2012). *Goal management*. Retrieved November 14, 2012, from <http://www.successfactors.com/goal-management/small/>

82. B

Adequate training. Employees carry out the work so the business can achieve its organizational goals. To achieve the business's organizational goals, the business's employees must know how to perform their jobs. Because each business functions differently, it is important for a business to provide its employees with training. When employees are well-trained, and they understand what is expected of them, they have the knowledge to perform their work efficiently. Not all jobs require employees to possess comprehensive analytical skills or to obtain detailed reports. Because businesses have finite resources (i.e., staff, parts, equipment, money), they provide necessary, rather than unlimited, resources for employees to perform their work.

SOURCE: PD:255

SOURCE: McNamera, C. (n.d.). *Assessing your training needs: Needs assessment to training goals*. Retrieved November 14, 2014, from http://managementhelp.org/trng_dev/analyze/analyze.htm

83. C

Why are we doing this project? The purpose of the project defines the reason for the project. Defining the purpose is critical because the project's goals, activities, and deliverables are based upon the purpose statement. To define the purpose, stakeholders need to determine why the project needs to be done. What the project will produce is asked when determining deliverables. Questions about the materials and the project team are related to resources that will be needed to complete 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.

84. C

Organize the work in a logical sequence. A work breakdown structure (WBS) is the process of dividing project tasks into meaningful components to complete the project. Creating the WBS involves organizing everything that needs to be done in a logical sequence, to ensure that the project's goals are achieved and deliverables are delivered on time. The project's benefits and stakeholders are identified in the statement of work (SOW). Monitoring human resources and supplies is a management activity.

SOURCE: PJ:006

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 96-97]. New York: Penguin Group.

85. C

Delegating work. An important aspect of managing a project team is delegating work to team members. Delegating is assigning authority or responsibility to another person. Project managers need to match project tasks and activities with the team members who have the skills and expertise to perform the necessary tasks and activities. Corrine is not monitoring processes, providing guidance, or evaluating performance in the presented situation.

SOURCE: PJ:007

SOURCE: Business Performance. (2003-2012). *Project team management*. Retrieved October 15, 2009, from http://www.businessperform.com/html/project_team_management.html

86. B

Documenting results. An important part of closing a project is documenting the project's results. This involves advising the stakeholders of the project's outcomes, which is often provided in a formal report. Setting goals, selecting resources, and assigning tasks in a logical sequence are activities that take place when initiating a project.

SOURCE: PJ:008

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 332-333]. New York: Penguin Group.

87. A

Closing. When a project has been completed, the project manager returns the equipment and supplies to vendors or departments and releases team members to their previous duties. During the implementation phase, the team members use the resources to perform project tasks. During the planning phase, the project manager determines the resources that will be needed to complete the project. The stakeholders define the project's purpose during the initiation phase of the project.

SOURCE: PJ:008

SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 336-340]. New York: Penguin Group.

88. D

Improvement. Quality management is the coordination of resources to ensure the degree of excellence of a process, good, or service. Quality improvement involves using a systematic approach to increase the levels of excellence in relation to a process, good, or service. Quality assurance is the processes involved in checking processes or products to ensure that they are consistently meeting the business's quality standards. Deviation is the degree to which a process or product does not meet the business's quality standards.

SOURCE: QM:001

SOURCE: BusinessDictionary.com. (2012). *Quality improvement*. Retrieved November 14, 2012, from <http://www.businessdictionary.com/definition/quality-improvement.html>

89. D

Six Sigma. Six Sigma is a popular quality management framework used by businesses around the world to ensure that their products are high quality and deliver maximum value to customers. These businesses usually rely on certain specially-trained personnel to implement Six Sigma methodologies. These individuals are known as Master Black Belts, Black Belts, Green Belts, etc. ITIL, which stands for Information Technology Infrastructure Library, consists of a set of publications which specify how to provide high quality information technology (IT) services and ensure effective IT service management. Organizations use CMMI, short for Capability Maturity Model Integration, to increase process effectiveness and improve overall business performance. CMMI can be used in three distinct areas: product/service development, product/service management, and product/service acquisition. Neither ITIL nor CMMI uses martial arts terminology. Quality Max is fictitious.

SOURCE: QM:002

SOURCE: Finch, B.J. (2008). *Operations now: Supply chain profitability and performance* (3rd ed.) [p. 217]. New York: McGraw-Hill Irwin.

90. D

Increase efficiency. Continuous improvement is an ongoing process that looks for ways to increase the levels of excellence in relation to a process, good, or service. The improvement of processes is often related to increased efficiency. When a business wants to improve efficiency, it is looking for ways to maximize the use of its resources, such as money and time. It might also involve applying employees' skills in new and different ways, which will streamline processes and improve efficiency. Continuous improvement may or may not involve finding ways to motivate employees, encouraging employees' creativity, or communicating more effectively.

SOURCE: QM:003

SOURCE: Smith, A. (2008, April 4). *Continuous process improvement: The search for efficiency through redesign*. Retrieved November 14, 2012, from http://businessmanagement.suite101.com/article.cfm/continuous_process_improvement

91. C

The employees' personal ethics may differ from the business's ethics. Ethics are the basic principles that govern your behavior. Because people differ, their personal ethics often differ. Employees often view ethics differently when they encounter "gray" situations, or situations in which there is not a clear right or wrong action or answer. Therefore, it is important for a business to clearly communicate its code of ethics to its employees, so they understand how they are to behave in business situations. By communicating the business's code of ethics in the workplace, the business is controlling or reducing its risk of potential legal problems (e.g., lawsuits) and financial losses, which may occur when employees do not know the business's ethical expectations and rules. Businesses often document ethical issues and expectations in their employee handbooks. Ethics are a stable pattern of behavior exhibited over time. Therefore, businesses do not frequently change their ethics. Governments do not require all businesses to offer ethics training programs.

SOURCE: RM:041

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 69-72). Tinley Park, IL: Goodheart-Willcox.

92. D

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

SOURCE: RM:042

SOURCE: Dlabay, L.R., & Burrow, J.L. (2008). *Business finance* (p. 343). South-Western Cengage Learning.

93. B

Negligence. A customer may file a negligence lawsuit against a business if s/he feels that the business has failed to protect her/him from harm or wrongdoing. To minimize their chances of being sued for negligence, risk managers and business owners develop specific policies and procedures to protect customers from being injured and to avoid being blamed for customer injuries, if they occur. An individual may file a private nuisance lawsuit if s/he has been unable to live peacefully at home as a result of a neighbor's barking dog, teenagers having a loud party nearby, etc. If someone fails to fulfill his/her contract (e.g., does not complete promised work, does not pay for services rendered, etc.), the individual or company who entered into that contract with the violator might file a breach-of-contract against him/her. People file discrimination lawsuits when they feel that they were treated unfairly because of their race, religion, gender, or other characteristic.

SOURCE: RM:043

SOURCE: Dorfman, M.S. (2008). *Introduction to risk management and insurance* (9th ed.) [pp. 34-35]. Upper Saddle River, NJ: Prentice Hall.

94. D

Staffing. Staffing enables the business to have employees who know how to do the company's work or are capable of learning how to do it. In a large business, a separate department usually handles staffing because it is a full-time responsibility to keep up with the staffing needs of the business. Planning is deciding what will be done and how it will be accomplished. Directing is providing guidance to workers and work projects. Controlling is monitoring the work effort.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (The Nature of Management)

95. D
Planning. Planning is the management function of deciding what will be done and how it will be accomplished. Brainstorming is a creative-thinking technique that is often used during the planning process. Deciding what will be done involves establishing objectives. After establishing objectives, the business can implement processes to achieve those objectives. The business analyzes its performance to determine if it achieved its objectives.
SOURCE: SM:063
SOURCE: CliffsNotes. (n.d.). *Functions of managers*. Retrieved November 14, 2012, from http://www.cliffsnotes.com/study_guide/Functions-of-Managers.topicArticleId-8944,articleId-8848.html
96. C
Organizing. Organizing is the management function of setting up the way the business's work will be done. A primary organizing activity is establishing levels of authority. Staffing is the management function of finding workers for the company. Controlling is the management function that monitors the work effort. Evaluating is a controlling activity.
SOURCE: SM:064
SOURCE: Management Study Guide. (2008-2012). *Importance of organizing function*. Retrieved November 14, 2012, from http://www.managementstudyguide.com/organizing_importance.htm
97. C
Training. Staffing is the management function of finding workers for the business. A primary staffing function involves training the employees to perform the work correctly. Recruiting is the staffing function of finding workers to perform the work. Interviewing involves meeting with job applicants to assess their skills and to determine if they are a good fit for open positions. Appraising is an activity that involves evaluating an employee's work performance.
SOURCE: SM:065
SOURCE: Management Study Guide. (2008-2012). *Functions of management*. Retrieved November 14, 2012, from http://www.managementstudyguide.com/management_functions.htm
98. A
Directing. Directing is the management function of providing guidance to workers and work projects. Because the supervisor is providing a new line worker with information or instructions about how to perform a task, s/he is engaged in the directing function of management. Staffing is the management function of finding workers for the business. Planning is the management function of deciding what will be done and how it will be accomplished. Organizing is the management function of setting up the way the business's work will be done.
SOURCE: SM:066
SOURCE: CliffsNotes. (n.d.). *Functions of managers*. Retrieved November 14, 2012, from http://www.cliffsnotes.com/study_guide/Functions-of-Managers.topicArticleId-8944,articleId-8848.html
99. C
Finances. Controlling the finances of a business is critical if the business wants to succeed. Managers need to understand the finances and be able to use financial tools, such as income statements and balance sheets, to monitor the business's income and expenses. Managers need to be prepared to take action to correct problems with the bottom line if financial controls indicate that the business is losing money. It is not possible to control competitors. Benefits and incentives are advantages or payments employees receive in addition to their wages. Businesses usually establish benefit and incentive programs that are comparable to those of similar businesses in the same industry. Reducing benefits and incentives is a step that managers might take if they identify a problem with the business's finances.
SOURCE: SM:004
SOURCE: Rue, L.W., & Byars, L.L. (2005). *Management: Skills and application* (11th ed.) [pp. 372-373]. New York: McGraw-Hill/Irwin.

100. A

Concurrent control. Concurrent controls monitor business activities as they are being performed. The assistant bank manager watched and listened to her tellers carrying out their jobs, realized that there was a problem, and immediately corrected the problem. Preventive controls take place before a business activity takes place, while feedback controls occur after a business activity has been completed. Post controls, more commonly referred to as postcontrols, are feedback controls.

SOURCE: SM:004

SOURCE: Rue, L.W., & Byars, L.L. (2005). *Management: Skills and application* (11th ed.) [p. 373]. New York: McGraw-Hill/Irwin.