



Competency-Based
Competitive Events
Written Exam

2020 HS ICDC
Booklet Number _____

Hospitality and Tourism Cluster Exam

HTPS - Hospitality and Tourism Professional Selling Event

HTDM - Hospitality Services Team Decision Making Event

HLM - Hotel and Lodging Management Series Event

QSRM - Quick Serve Restaurant Management Series Event

RFSM - Restaurant and Food Service Management Series Event

TTDM - Travel and Tourism Team Decision Making 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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1. Which of the following are generally protected by copyrights:
 - A. New processes
 - B. Movies, music, and books
 - C. Words affiliated with a product
 - D. New ideas
2. What is the purpose of interpretative rules issued by administrative agencies?
 - A. To identify how an administrative agency is organized and operated
 - B. To establish new rules for implementing existing laws or regulations
 - C. To explain the meaning of existing laws or regulations
 - D. To provide policy statements for an administrative agency
3. Hotel customers typically have the right to a certain standard of care. In other words, hotels are obligated to
 - A. pay their guests for problems that they encounter while at the hotel.
 - B. protect their guests against absolutely all dangers and threats.
 - C. give their guests the exact sleeping rooms that the guests reserved.
 - D. provide a reasonably safe, secure environment for their guests.
4. What is typically the most important thing to consider when deciding whether to use a particular source in your research?
 - A. The credibility of the author
 - B. The purpose of the source
 - C. The source's intended audience
 - D. The author's educational background
5. Which of the following is an example of a positive nonverbal communication cue:
 - A. Standing straight with your hands on your hips
 - B. Maintaining eye contact at all times
 - C. Standing straight with your arms by your sides
 - D. Sitting with your arms crossed
6. Which of the following statements about the Cornell note-taking system is true:
 - A. The Cornell note-taking process requires extensive preparation prior to writing down any notes.
 - B. An important step in the Cornell note-taking process involves writing a summary of each page of notes.
 - C. Note takers using the Cornell note-taking process should use long sentences when writing the main ideas.
 - D. The Cornell note-taking process involves dividing each page of notes into two sections: a title and the main ideas.
7. Kai recently graduated from college. He has interviewed for several jobs but still hasn't been hired. Becoming increasingly frustrated, Kai asked the most recent hiring manager what he could do differently to improve his chances of success. According to the hiring manager, Kai has great qualifications and did well in the interview. However, the manager decided not to hire him because she discovered that Kai had shared some violent videos on social media. What had Kai failed to consider when conducting his job search?
 - A. What message his screen name conveys
 - B. How old the videos that he shared are
 - C. Who can see his social media posts
 - D. How many social media accounts he has
8. Marco is working with a new client, Adam, and wants to make sure their partnership starts off right. Before discussing business, Marco decides to initiate some small talk. Which of the following topics would best help Marco build rapport with Adam:
 - A. Marco's accomplishments
 - B. The upcoming election
 - C. Personal questions about Adam
 - D. This week's rainy weather
9. Delivering consistent service to customers can be challenging, especially for those in the hospitality and tourism industry. One strategy to help make sure all customers receive consistent, quality service is by
 - A. ensuring diversity in the company workforce.
 - B. working with a limited customer base.
 - C. providing flexible schedules for employees.
 - D. training employees in company procedures.

10. Dora is a server at a local restaurant. She is approached by a concerned guest complaining that his bill is not correct. This guest was not a customer that Dora served, so she doesn't know how to proceed. What next step should Dora take to resolve this customer conflict?
- A. Mirror the customer's negative attitude to show she is taking the issue seriously.
 - B. Explain that this was not her fault so the customer knows who is actually responsible.
 - C. Listen to the customer's complaints before offering possible solutions to the problem.
 - D. Tell the customer this issue never happens, proving she works in a quality establishment.
11. To recover disgruntled guests, businesses should reach out to customers
- A. with financial compensation.
 - B. electronically.
 - C. quickly.
 - D. after processing payment.
12. Leo is a clerk for a local hotel known for its two key values: honesty and exceptional service. One day, he is having trouble checking a couple into their room and realizes that someone on staff never completed their reservation. The room is no longer available. Leo tells the couple that the hotel has made a mistake, but that he will take care of it. Within the hour, he has consulted his manager and checked the couple into an upgraded room at no additional cost. Did Leo reinforce the company image in this interaction?
- A. No. He gave the company a negative brand image by admitting that the hotel made a mistake.
 - B. Yes. He consulted his manager and made sure to go up the chain of command before proceeding.
 - C. Yes. He was transparent about the hotel's mistake and went above and beyond to assist the customers.
 - D. No. He should not have been the one to correct the mistake, because he was not the one to make it.
13. Excellent customer service is crucial in the hospitality industry because the success of hospitality businesses often depends on the _____ of customers.
- A. capital
 - B. goodwill
 - C. return
 - D. records
14. Sage is a travel agent helping a couple book an international trip for their honeymoon. While arranging the couple's itinerary, Sage calls the airline and confirms that it will have two gluten-free meals available for her clients on the flight. What is the purpose of Sage's call?
- A. To check the airline's contact information
 - B. To deliver consistent service for all clients
 - C. To accommodate the couple's special needs
 - D. To make sure the aircraft is accessible
15. Which of the following is a positive moment of truth:
- A. A manufacturer develops a new product model in less time than the original.
 - B. A business announces to its shareholders that it has doubled its annual profit.
 - C. A customer finds chocolates on her hotel room pillows after checking in.
 - D. A sales representative exceeds his sales quota for the year as a new hire.
16. Successful hospitality businesses often hire temporary staff during
- A. peak seasons.
 - B. touchpoints.
 - C. critical moments.
 - D. residence times.
17. How can a restaurant create time utility for customers?
- A. Train staff to improve customer service
 - B. Offer half-price appetizers and desserts
 - C. Add healthier dinner options to the menu
 - D. Hire more kitchen staff to cut down on wait times

18. Which of the following laws would impact the greatest number of businesses within the state of Nebraska:
- A. Nebraska minimum wage increase
 - B. Nebraska sales tax rate increase
 - C. Federal law requiring that all employers provide paid vacation time
 - D. Federal law requiring that interns be paid the average industry standard
19. During an economic recession, tourists are most likely to
- A. spend less and take shorter trips locally.
 - B. spend more and travel to reduce stress.
 - C. stop traveling entirely.
 - D. invest in travel bonds.
20. Which of the following statements regarding private property in the private enterprise system is true:
- A. The government owns most of the property.
 - B. Anyone is free to use your property.
 - C. People cannot share their property.
 - D. You can keep income earned from private property.
21. High and/or unexpected inflation can have negative effects on the economy, such as
- A. improving the standard of living for low-income individuals.
 - B. discouraging consumers from saving or investing.
 - C. increasing overall consumer spending.
 - D. preventing shortages of consumer goods.
22. Which of the following statements regarding the foreign exchange market is true:
- A. The foreign exchange market is open from 9:00 a.m.-5:00 p.m. every day.
 - B. Trades occur on the foreign exchange market in a central location.
 - C. The foreign exchange market is a global, decentralized market.
 - D. Only citizens and businesses from certain countries may trade on the forex.
23. The statement "All Americans are obese" is an example of
- A. prejudice.
 - B. bias.
 - C. a stereotype.
 - D. a fact.
24. Employers often seek to hire people with initiative because such individuals are
- A. independent.
 - B. honest.
 - C. kind.
 - D. friendly.
25. Cher, a front-desk clerk, listens carefully as a hotel guest explains a problem with his meal from room service. Cher also kindly repeats the guest's concerns. What skill is Cher demonstrating?
- A. Patience
 - B. Mirroring
 - C. Customer service
 - D. Oral presentation
26. Addison needs to have a difficult conversation with her coworker Ned, and she is unsure how he will react. However, Addison tries to think about the situation from Ned's point of view, and then she feels a little less nervous or uncertain. Addison is demonstrating tolerance for ambiguity by
- A. staying calm, neutral, and nonjudgmental.
 - B. listening actively.
 - C. shifting and trying on other perspectives.
 - D. focusing on creativity.
27. Trying to maintain a positive attitude can help you
- A. see the bad in every situation.
 - B. permanently erase stress.
 - C. immediately fix your negativity.
 - D. put problems into perspective.
28. Keeping human resources paperwork on a password-protected server or in a secure physical location is an example of _____ confidentiality.
- A. external
 - B. internal
 - C. secure
 - D. continued

29. Which of the following is the most likely reason why a manager might want to get external feedback about her/his business:
- A. To meet new employees and identify their strengths
 - B. To learn about customers' interactions with the business
 - C. To improve the payroll process
 - D. To increase employee productivity
30. Joe is attempting to persuade his friends to go downtown for dinner at a restaurant that, in his opinion, has the best fish tacos. Joe has offered to drive because the trip to the restaurant is 45 minutes long, one friend doesn't like to drive at night, and another has his car at a garage for repairs. By offering to drive his friends to the restaurant, Joe has demonstrated that he
- A. is confident that his friends will say yes.
 - B. has stated his case effectively.
 - C. is using appropriate body language.
 - D. understands his audience.
31. When giving feedback, it is important for a coach to
- A. ignore his/her own nonverbal behavior.
 - B. focus on the coachee's personality traits that need improvement.
 - C. give specific tips to the coachee on how to improve performance.
 - D. focus strictly on what the coachee did wrong.
32. Why don't the world's largest economies use the barter system anymore?
- A. There are too many people for the barter system to work effectively.
 - B. Barter coins became too heavy for people to carry around.
 - C. There aren't enough goods for people to barter anymore.
 - D. People became too greedy and corrupt with the barter system.
33. You are ready to take your first step into investing. As a new investor, you would like advice from a qualified stockbroker to make sure you are buying and selling securities effectively. Which of the following advisory services are you most likely to use:
- A. Information broker
 - B. Discount broker
 - C. Online broker
 - D. Full-service broker
34. As the manager of a hotel, you are reviewing this year's income statement to determine the bottom line. What information are you looking for?
- A. Total expenses
 - B. Revenue
 - C. Gross profit
 - D. Net income
35. At the end of each day, Bob, owner of Bob's Barbecue, deposits the restaurant's cash in the bank. Laura, a manager at Bob's Barbecue, keeps track of the restaurant's accounting journals. This separation of duties is an example of a(n)
- A. external control.
 - B. bank reconciliation.
 - C. internal control.
 - D. petty cash fund.
36. A successful budget can best be described as a
- A. locked safe that helps you protect your financial information.
 - B. roadmap with directions that help you get to your financial goals.
 - C. marker that helps you permanently write your financial future.
 - D. highlighter that helps you take note of the top-level executive data.
37. Ahmed wants to determine his company's earnings before interest, taxes, depreciation, and amortization (EBITDA). Some of the information that he needs in order to calculate EBITDA is found on the income statement, but other necessary information appears on the cash flow statement. What information does Ahmed need to gather from his company's cash flow statement?
- A. Earnings and depreciation
 - B. Depreciation and amortization
 - C. Amortization and tax
 - D. Tax and interest

38. Which of the following are two factors most creditors assess before deciding to issue credit to someone:
- A. Communication and character
 - B. Cosigners and communication
 - C. Collateral and cosigners
 - D. Character and collateral
39. Which of the following is an example of an unfair labor practice by employers:
- A. Charging excessive union dues
 - B. Disrupting union-related conversations among employees
 - C. Engaging in a strike for illegal purposes
 - D. Firing employees who agree to work during a union strike
40. Which of the following statements about service marketing is true:
- A. Service marketing typically does not allow for product customization.
 - B. Service marketing focuses on relationships and involves performing acts to satisfy needs and wants.
 - C. Service marketing focuses on relationships and involves tangible products.
 - D. Service marketing involves intangible products that can be easily separated from the producer.
41. Which of the following is an example of a short-term business goal:
- A. Expand business operations internationally
 - B. Develop a new line of products
 - C. Create an image of superior customer service
 - D. Reduce company advertising costs
42. The Western Road Hotel provides a number of amenities to its guests, including fast Wi-Fi, large in-room desks with ergonomic desk chairs, exercise facilities, free parking, and coffee available 24 hours a day. What market segment is the Western Road most likely to be targeting?
- A. Families with small children
 - B. Business travelers
 - C. Senior citizens
 - D. Millennial travelers
43. What type of software allows the user to total numeric values and create visual aids?
- A. Spreadsheet applications
 - B. Presentation applications
 - C. Word processing applications
 - D. Graphics applications
44. Star Resorts and Spas recently revamped its smartphone app to include virtual tours of hotel rooms, new loyalty program features, and the ability for customers to check in and check out using their phones. The company knows that today's tourists are more connected than ever, and it hopes that the new app will enhance the visitor experience at its locations. Star Resorts and Spas is using _____ to better meet customer needs.
- A. customer feedback
 - B. mobile technology
 - C. changing travel habits
 - D. social media influencers
45. Which of the following is a primary benefit of using big data and analytical tracking tools for hotels and other hospitality companies:
- A. The chance to outperform competing hotels
 - B. The opportunity to enhance the company's image
 - C. The ability to better understand customer behavior
 - D. The option to sell more expensive hotel rooms
46. Which of the following is an example of how a database can be used:
- A. To create mailing lists
 - B. To edit a website
 - C. To detect malware
 - D. To edit photographs
47. Phil maintains a listing of the serial numbers and model numbers for every computer that his business owns. These data are considered _____ records.
- A. payroll
 - B. legal
 - C. asset
 - D. financial

48. Economic factors that businesses generally examine when conducting an environmental scan include
- A. inflation, investor confidence, and demographics.
 - B. inflation, investor confidence, and interest rates.
 - C. investor confidence, demographics, and new laws.
 - D. demographics, new laws, and social trends.
49. Census data, psychographics, public opinion polls, and tourism forecasts are all examples of _____ sources for hospitality and tourism information.
- A. original
 - B. seasonal
 - C. primary
 - D. secondary
50. Open Road Bus Tours uses analytical tracking tools specifically to study how effective its advertisements are. The bus tour company then uses this information to improve its promotional efforts and reach more customers. What type of data does Open Road collect with these tracking tools?
- A. Secondary
 - B. Outlying
 - C. Primary
 - D. Non-specific
51. Many hotel chains offer special perks and benefits to guests who join their loyalty programs. In exchange for these special deals and discounts, customers agree to let the hotels collect their contact information and track their
- A. preferred distribution channels.
 - B. employment history and monthly income.
 - C. purchasing behavior and preferences.
 - D. feasibility study results.
52. The DreamLiners cruise company recently started utilizing a sophisticated customer information database to help it better understand its customers' preferences and behaviors. Which of the following is a benefit that DreamLiners can realistically expect to enjoy as a result of its new database:
- A. The ability to paint a cohesive picture of a customer's pre-cruise, cruise, and post-cruise experience
 - B. The opportunity to study competing cruise lines' marketing methods, finances, and customer profiles
 - C. An immediate increase in profits, allowing the cruise line to spend more money on marketing
 - D. Increased pressure from competing cruise lines to offer special deals and promotions
53. Riley is a 28-year-old young professional who enjoys experiencing new cultures. Instead of traveling with family or friends, she prefers to make solo trips. Traveling alone allows her to truly enjoy her experience without the distraction of others. The growing popularity of solo travel is a(n) _____ impacting the hospitality and tourism industry.
- A. guest trend
 - B. technological change
 - C. economic trend
 - D. regulatory shift
54. Roger is the marketing manager for a tour bus company in a national park. He recently looked through his company's customer database to determine the median customer age. Roger plans to use this information to better tailor the company's marketing efforts to its audience. Roger is using _____ to aid in decision-making.
- A. descriptive statistics
 - B. data coding
 - C. predictive statistics
 - D. customer feedback
55. Kylie, a manager at a hotel, is given the following data set representing the number of visits a group of customers makes to her hotel each year: 1, 2, 2, 3, 3, 3, 3, 4, 4, 5, 6, 6, 7. The mode of this data set is _____ per year.
- A. four
 - B. one
 - C. seven
 - D. three

56. Hannah works for a travel agency. To help her managers better understand how many customers booked vacations to different countries last year, she created a pie chart to display the data. Hannah created the pie chart to
- help the audience absorb all the details and intricacies of the data.
 - convey the most important information in an easy-to-grasp way.
 - provide the audience with less than the "full picture" of the data.
 - make complicated issues in the data set seem less important than they are.
57. Tyrone is a finance manager at a hospitality management company. He is preparing a PowerPoint presentation for a meeting next week. Which of the following suggestions should he follow when designing his presentation:
- Use at least thirty words per slide
 - Use at least five visuals per slide
 - Keep the slides simple
 - Include as much information as possible
58. SunRise Inn hotel rooms can be reserved directly through the inn's website, through an in-person travel agency, or through online travel booking websites such as Expedia. This allows the hotel to reach the maximum number of customers. The company website, in-person travel agencies, and online booking engines are examples of
- customer relations.
 - quality control methods.
 - public relations.
 - distribution channels.
59. Which of the following are two examples of threats to data security:
- Identity theft and encryption fraud
 - Malware attacks and identity theft
 - Encryption fraud and antivirus scams
 - Antivirus scams and malware attacks
60. One of the best ways to prevent accidents in any workplace is through
- shortcuts.
 - consequences.
 - training.
 - machinery.
61. The SleepRight Motel has three floors of guest rooms, each with their own direct exit outside. The evacuation protocol for the motel is to direct guests out of their rooms and down the nearest flight of stairs. The Crowne Plaza Hotel is a fifteen-floor luxury hotel with fourteen floors of guest suites and one floor of ballrooms and administrative offices. The evacuation plan for the Crowne Plaza is to direct guests into the hallways to the nearest elevator or flight of stairs, depending on the circumstance. These examples demonstrate how _____ affects evacuation procedures in the hospitality industry.
- building layout
 - guest count
 - severe weather
 - government regulation
62. Which of the following steps should the Harborview Resort take to reduce incidents of credit card fraud:
- Offer loyalty members the ability to book new reservations without reentering their card number
 - Waive the requirement for presenting a photo ID at check-in
 - Install EMV-enabled (security chip) credit card terminals at the check-in desk
 - Refuse to accept credit cards as payment for reserving a room
63. Which of the following is an example of determining quality standards:
- A teacher says that research papers must be free of grammatical errors.
 - A car company decides to add a sunroof to its new model.
 - Les figures out that he needs \$40 to buy supplies for his science project.
 - Shannon is worried that her assistant might get a new job.
64. Businesses often rely on other companies to supply the products and services they need. Sometimes, a business chooses to work with more than one vendor because
- the business can limit its dependence on a single vendor.
 - developing working relationships is easier with multiple vendors.
 - the business can receive discounts on high-volume orders.
 - it is easier to hold multiple vendors accountable for any mistakes.

65. The number of rooms available for reservation in a particular hotel is a type of _____ in the hospitality and tourism industry.
- A. currency
 - B. accessory
 - C. bottom line
 - D. inventory
66. Which of the following is an example of something an employee could do to help his/her business control expenses:
- A. Watering the plants outside the office
 - B. Shortening his/her commute to work
 - C. Turning off lights when no one is working
 - D. Re-shelving the company policy manuals
67. Renee is an event planner at a resort. Her most recent client refused to pay for services that were provided at the client's company retreat, which was hosted in one of the resort's ballrooms. The client argued that he never agreed to pay for the services in question. When Renee reviewed the client's invoice, she realized that she had written a vague description of the services being promised, so she removed the service fees from the client's bill. Renee's mistake shows the importance of
- A. running regular reports on profits and losses based on invoices to date.
 - B. making sure that client contact information is accurate on invoice forms.
 - C. following up on invoices that are flagged as "late" or "unpaid."
 - D. completing invoice forms with as much detail as possible.
68. Human error is one of the leading causes of cybersecurity breaches. To protect customer data from being stolen or leaked by accident, hospitality and tourism companies should
- A. assume that employees are incapable of protecting customer data.
 - B. trust their employees to adequately protect customer data.
 - C. avoid hiring anyone who can't pass a lie detector test.
 - D. implement cybersecurity training for employees.
69. Most hotels now offer guests the option to reuse their bath towels instead of receiving new ones each morning. This is an example of how the hospitality industry has embraced
- A. water and energy conservation.
 - B. recycling and waste reduction.
 - C. the elimination of toxins in bath products.
 - D. organic cleaning products in guest rooms.
70. When Kayleigh lost her hotel keycard, she went to the front desk to ask for a replacement. The hotel staff remotely deactivated the lost card and issued her a new one. The ability to reprogram keycards allows hotels to
- A. improve after-hours service for guests.
 - B. screen potential guests for security risks.
 - C. recover a greater number of lost keycards.
 - D. reduce break-ins and ensure room security.
71. As the social media manager for her company, Kate needs to choose a picture for the Facebook event she is creating for the upcoming company picnic. She wants to make sure the chosen picture appeals to all employees so attendance is high. Kate looks through five possible pictures and picks the one that shows a group of people having fun. Has Kate demonstrated decision-making?
- A. No, because she did not consult anyone before making the selection.
 - B. Yes, because she had more than two options to choose from.
 - C. No, because she solved a problem, not made a decision.
 - D. Yes, because she made a selection that fits her objective.
72. Why is it important for a person pursuing any type of business career to develop self-confidence?
- A. Managing others requires leadership skills.
 - B. It helps a person become trustworthy.
 - C. The business field is very competitive.
 - D. Complex financial concepts are challenging to learn.

73. You are applying for your first job out of college. The online job posting for which you are applying asks you to upload your résumé. Before submitting your résumé, you should make sure that it
- A. is neat and looks professional.
 - B. is colorful and stands out from your competition.
 - C. includes detailed descriptions for all of your accomplishments.
 - D. omits your contact information.
74. Which of the following careers typically requires a high school diploma and a bachelor's degree in hospitality and tourism:
- A. Entry-level hotel employee
 - B. Hotel front desk manager
 - C. Hotel manager
 - D. Hospitality management professor
75. Which of the following is most likely to be found in an organization's code of conduct:
- A. Information about state/provincial and local laws
 - B. List of current staff and contact information
 - C. Information about the organization's history
 - D. Procedures for handling conflicts of interest
76. Which of the following is most likely to be an ethical issue in hospitality and tourism:
- A. Depletion of natural resources in tourist areas
 - B. Declining popularity of hotel exercise rooms
 - C. Increased interest in outdoor recreation
 - D. Improvements in automobile travel
77. What segment of the hospitality industry includes spectator sports such as a professional baseball game?
- A. Travel
 - B. Exploration
 - C. Tourism
 - D. Recreation
78. A company is most likely to only promote a product on social media if the product has a
- A. realistic price.
 - B. high profit margin.
 - C. flexible price.
 - D. low profit margin.
79. Azqa, product manager for a restaurant chain, has decided the restaurant's eggplant dish is ready for commercialization. Commercialization typically occurs in the _____ phase of product management.
- A. revamping outdated products
 - B. monitoring existing products
 - C. eliminating weak products
 - D. developing new products
80. After an overnight hotel stay, J.D. told the front desk clerk that his room's temperature would not rise above 60 degrees Fahrenheit, which created uncomfortable sleeping conditions. The clerk apologized for the faulty thermostat and refunded J.D. his money, letting him know that hotel policy is "satisfaction guaranteed, or your money back." J.D. thanked the clerk and ended up staying in that same hotel chain six more times throughout the year. What ultimate benefit did the hotel experience by implementing its guarantee?
- A. Clarification of standards
 - B. Product improvements
 - C. Increased profits
 - D. Reduced anxiety
81. Businesses benefit when bundling products because this strategy
- A. represents value and savings.
 - B. reduces the overall price.
 - C. increases sales revenue.
 - D. establishes brand loyalty.

82. June is the manager of a local vegetarian bistro. She works hard to make sure her business maintains its competitive advantage. This year, she has decided to provide only recyclable tableware with the restaurant's dishes. This change will add to the bistro's annual expenses, but June believes it will help set the business apart from others and ultimately be successful. What type of competitive advantage is June implementing?
- A. Differentiation
 - B. Cost leadership
 - C. Hyper focus
 - D. Bundling
83. Successful businesses work hard to cultivate brand personalities. Why is a brand personality important?
- A. It makes and maintains emotional connections with customers.
 - B. It gets to the heart of what the company truly cares about.
 - C. It gives customers the opportunity to express themselves.
 - D. It is an ongoing agreement to meet customer expectations.
84. Hospitality and tourism businesses often benefit from introducing product extensions because they
- A. help manufacturing companies develop products faster.
 - B. allow businesses to compete in different product categories.
 - C. are cheaper and safer than introducing new products.
 - D. replace an unsuccessful product on the market.
85. Zara and her vendor-selection team are responsible for choosing a fruit supplier for their new bakery. First, the team reached out to many possible vendors. Then, they created a short list from which a final decision will be made. However, Zara and her team are having difficulties making a decision. What important first step did Zara and her team forget to complete?
- A. Requesting that vendors include quotes with their proposals
 - B. Discussing and defining the team's criteria for a vendor
 - C. Performing interviews to see what vendors are like in person
 - D. Developing a contract negotiation strategy
86. The automaker Honda has launched an advertising campaign to promote its newest Civic model. Honda is using _____ product promotion to build awareness of the Civic's newest features.
- A. patronage
 - B. institutional
 - C. primary
 - D. secondary
87. The Grand Hotel and Resort is currently offering a second night free to all of its overnight guests. What element of the promotional mix is the hotel using to attract more customers?
- A. Publicity
 - B. Sales promotion
 - C. Advertising
 - D. Direct marketing
88. A small hotel gives each of its guests a voucher for a free cup of coffee and scone at a coffee shop across the street. In exchange, there is a table tent advertisement for the hotel on every table in the coffee shop. This is an example of a cross-promotional
- A. dealer incentive.
 - B. discount.
 - C. partnership.
 - D. human directional.
89. Which of the following is an example of what customers look for in a quality service:
- A. Serviceability
 - B. Reliability
 - C. Durability
 - D. Destructibility
90. Which of the following is a loss prevention technique that a hotel might use to protect itself against theft:
- A. Security cameras
 - B. Fire sprinklers
 - C. Carbon monoxide detectors
 - D. Crisis management plans

91. Which of the following statements regarding building a clientele is true:
- A. Salespeople earn less money when customers are loyal to a specific company.
 - B. Word-of-mouth advertising is the least effective method for building a clientele.
 - C. An effective way to build a clientele is to discuss controversial topics with customers.
 - D. It's cheaper to retain current customers than to attract new customers.
92. Which of the following is a benefit of implementing selling policies:
- A. Greater chance of misunderstanding between customer and salesperson
 - B. Increased confusion for salespeople during the sales process
 - C. Assurance that customers are treated fairly and consistently
 - D. Total freedom for salespeople to make decisions on their own
93. Tatiana sells cutlery. While conducting research online for additional product information, Tatiana comes across a personal blog reviewing her company's newest knife. She finds that the blog details information about the knife from the customer perspective. Now, Tatiana wonders if she should use this information in her sales presentations. Is customer feedback a good source of product information?
- A. Yes. Customer feedback makes customers feel heard and ultimately can lead to more sales.
 - B. Yes. Customer feedback can provide product information the salesperson would otherwise not know.
 - C. No. Customers are not industry experts and can't provide accurate feedback about products.
 - D. No. Customers reviewing products online do not consent for salespeople to use their product feedback.
94. During the first few minutes of a sales meeting, the salesperson should
- A. put customers at ease and create a favorable first impression of the business.
 - B. ask the customer what time of day would be best to deliver the product.
 - C. speak quickly without pauses to appear knowledgeable and confident.
 - D. explain all of the faults and weaknesses of the top competitors' products.
95. When upselling to customers, it is important to
- A. suggest the better quality, higher priced item.
 - B. recommend at least three additional items.
 - C. mention that you work on commission.
 - D. help customers make good buying decisions.
96. Good salespeople in the hospitality and tourism industry commonly use three techniques to determine customer/guest needs. What are those three techniques?
- A. Canvassing, qualifying, organizing
 - B. Presenting, visualizing, following up
 - C. Greeting, modifying, focusing
 - D. Observing, questioning, listening
97. Hotels benefit from selling gift certificates to guests because these gift certificates
- A. can extend the customer base of the hotel.
 - B. provide an experience, not just a product.
 - C. are redeemable at any time by the recipient.
 - D. are a small production investment for the hotel.
98. When processing coupons and discounts, employees should
- A. check the coupon's expiration date.
 - B. ask the manager to input the discount.
 - C. give the customer the benefit of the doubt.
 - D. look online for fraudulent coupons.
99. Shantrell is developing an organized chain of command for her growing business. One important consideration in building her chain of command is making sure that the plan shows a clearly defined line of authority that connects all of her employees. In other words, Shantrell needs to keep the _____ in mind as she develops her chain of command.
- A. division of labor
 - B. unity of command
 - C. scalar principle
 - D. matrix structure
100. Sara, manager of Crunchy Chicken Restaurant, told one of her servers to clean his station and assist a group of customers who were just seated. What directing activity did Sara perform?
- A. Motivating
 - B. Supervising
 - C. Disciplining
 - D. Instructing



KEY

2020 HS ICDC

Hospitality and Tourism Cluster Exam

HTPS - Hospitality and Tourism Professional Selling Event

HTDM - Hospitality Services Team Decision Making Event

HLM - Hotel and Lodging Management Series Event

QSRM - Quick Serve Restaurant Management Series Event

RFSM - Restaurant and Food Service Management Series Event

TTDM - Travel and Tourism Team Decision Making Event

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1. B
Movies, music, and books. Copyrights protect a wide range of works such as movies, books, stage plays, physical works of art (e.g., paintings, sculptures), and sound recordings. Businesses and individuals use patents to protect new processes and inventions. A trademark protects words or symbols used by a business to identify a good or service. Copyrights protect the expression of ideas but do not typically protect the ideas themselves, no matter if the ideas are new or old. Trade secret law and confidentially agreements help protect ideas from misuse from others.
SOURCE: BL:051
SOURCE: Entrepreneur. (2019). *Intellectual property*. Retrieved September 20, 2019, from <https://www.entrepreneur.com/encyclopedia/intellectual-property>
2. C
To explain the meaning of existing laws or regulations. Administrative agencies typically have the authority to issue three different types of rules: interpretative rules, procedural rules, and legislative rules. Interpretative rules further explain the meaning or intent of existing laws or regulation. Legislative rules establish new rules and regulations necessary to implement and/or enforce existing laws or regulations. Legislative rules possess the power of law and are enforced just as stringently as laws enacted by the Legislature. Procedural rules specify how an administrative agency is organized and how it operates. Policy statements, which are generally less formal than interpretative, legislative, or procedural laws, describe policies that an administrative agency hopes to introduce or implement in the future.
SOURCE: BL:074
SOURCE: The Free Dictionary. (n.d.). *Administrative law and procedure*. Retrieved January 7, 2020, from <https://legal-dictionary.thefreedictionary.com/Administrative+Law+and+Procedure>
3. D
Provide a reasonably safe, secure environment for their guests. Hospitality customers have the right to reasonable care, which means that hospitality businesses must provide the same level of care, caution, and concern to their customers as any other reasonable, rational hospitality manager or business would. However, there is a limit to this care. Some events are simply beyond the hospitality business's control—dangers and threats that a business simply cannot predict will happen. In such circumstances, a hospitality business is not always liable for injuries. While hotels are typically legally required to provide rooms to guests if those customers made reservations in advance, hotels are not obligated to provide the exact type of room that was reserved. For example, even if a guest reserved a king-size room, s/he may have to accept a double room instead if the hotel has sold out of king-size rooms. Hotels are not obligated to pay their guests for every problem that they encounter; in many cases, hotels can remedy problem situations without having to compensate the guests.
SOURCE: BL:135
SOURCE: Perkins, E. (2017, November 20). *What customer rights do hotel guests have? Not many*. Retrieved January 9, 2020, from <https://www.smartertravel.com/hotel-guest-rights/>
4. A
The credibility of the author. While it's important to consider the purpose of the source, the intended audience, and the author's educational background, the most imperative consideration in determining whether to use a particular source in your research is the author's credibility. An author who could benefit financially or socially from his/her writing on a topic might not be the most credible source of information. Likewise, if the source contains inaccurate information, it is not likely to be credible. Authors who are trying to advance a specific agenda are likely to be biased and not trustworthy. The intended audience is also important to consider. Generally, articles and texts written for academia are considered good sources, but there are also reasons to consider more mainstream sources. Although educational background is often an indicator of a person's knowledge and expertise in a certain topic, the author's schooling is not typically the most important consideration.
SOURCE: CO:054
SOURCE: University of Maryland Global Campus. (2020). *Is my source credible?* Retrieved January 7, 2020, from <https://sites.umgc.edu/library/libhow/credibility.cfm>

5. C

Standing straight with your arms by your sides. Often called body language, nonverbal cues such as gestures, facial expressions, and posture can communicate a good deal of information to others. Sitting or standing with your arms crossed, for example, can convey that you are uninterested or unhappy. However, standing straight with your arms by your sides is a positive nonverbal cue that avoids the appearance of anger or being closed off. Some eye contact is good because it shows confidence and that you are listening, but persistent eye contact usually makes people uncomfortable. Standing with your hands on your hips may express confidence, but doing so may also make you look aggressive and as if you are attempting to take up more space.

SOURCE: CO:059

SOURCE: MindTools. (2019). *Body language: Picking up and understanding nonverbal signals*. Retrieved September 20, 2019, from https://www.mindtools.com/pages/article/Body_Language.htm

6. B

An important step in the Cornell note-taking process involves writing a summary of each page of notes. The Cornell note-taking system is considered by many to be the most effective method for taking notes during a lecture, seminar, or meeting. Preparation is minimal when using this system; notetakers simply divide each page of notes into four parts: a title, the main ideas, keywords and/or questions, and a summary. Notetakers using this method should use abbreviations and symbols whenever possible while writing down the main ideas, rather than using long sentences. After the lecture, seminar, or meeting, notetakers should compose a summary of each page and identify questions and/or keywords that would help clarify or remind notetakers of the main ideas.

SOURCE: CO:085

SOURCE: GoodNotes. (2017, August 9). *Cornell note taking—The best way to take notes explained*. Retrieved January 7, 2020, from <https://medium.goodnotes.com/study-with-ease-the-best-way-to-take-notes-2749a3e8297b>

7. C

Who can see his social media posts. Many employers use social media sites to learn more about job applicants. That's why knowing whom you are connected to on social media and who can see your social media posts are important factors to consider when applying for a job. While Kai may want to consider how old the videos that he shared are, it's even more important to consider what employers might think about him upon viewing the violent videos. Likewise, Kai should use an appropriate screen name that conveys professionalism. While having a plethora of social media accounts isn't necessarily good, it's wise to have at least one account. That's because some employers won't even consider an applicant if that person doesn't have any presence online.

SOURCE: CO:205

SOURCE: Malaterre-Ollier, A. (2019, November 6). *How to separate the personal and professional on social media*. Retrieved September 23, 2019, from: <https://hbrascend.org/topics/how-to-separate-the-personal-and-professional-on-social-media/>

8. D

This week's rainy weather. Building rapport includes finding common ground with others and being empathetic. The weather is a safe topic that opens the door to shared experiences between different people. The upcoming election involves politics, which might invite very different opinions that put distance between Marco and Adam or even cause offense. Questioning Adam directly and talking only about himself make the conversation one-sided, making it more difficult for Marco to find shared ground.

SOURCE: CR:029

SOURCE: SkillsYouNeed. (2011-2019). *Building rapport*. Retrieved September 24, 2019, from <https://www.skillsyouneed.com/ips/rapport.html>.

9. D

Training employees in company procedures. Developing uniform, company-approved procedures, and then training employees to follow those procedures, is the best way to provide consistency across customer service experiences. Limiting the customer base would have a negative effect on the business. Neither flexible schedules for employees nor diversity in the workforce are related to consistent customer service.

SOURCE: CR:043

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 44-46]. Tinley Park, IL: Goodheart-Willcox.

10. C

Listen to the customer's complaints before offering possible solutions to the problem. One of the best ways to resolve customer complaints is by showing empathy and trying to see the issue from the customer's point of view. Even though the problem was not Dora's fault, not taking steps to try to solve the issue would add to an already negative customer experience. When trying to resolve the customer conflict, employees should always try to remain positive even if the customer is angry. Telling the customer that a certain issue never happens does not help solve the problem, and in fact might make the customer angrier.

SOURCE: CR:044

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 34-35]. Tinley Park, IL: Goodheart-Willcox.

11. C

Quickly. Communication is crucial to recovering a customer that has had a negative experience, and the sooner a business can try to resolve an issue, the less likely a customer will have time to 'stew' on the experience. The medium through which a customer is contacted does not have direct effect on the likelihood of recovery. Financial compensation might help with guest recovery, but it is not always needed and can be a costly decision. Payment processes should not be a factor in reaching out to try to recover guests.

SOURCE: CR:045

SOURCE: Pedanco. (2015). *The simple rules of guest recovery*. Retrieved October 1, 2019, from <https://blog.pedanco.com/the-simple-rules-of-guest-recovery-ee7daabe881f>

12. C

Yes. He was transparent about the hotel's mistake and went above and beyond to assist the customers. The hotel is a company that strives to be honest and provide exceptional service. Leo showed honesty by admitting a mistake was made, and he provided quality service by ensuring the couple was taken care of, even if it meant that they did not pay extra money for an upgraded room. Consulting a manager before proceeding might have been preferred by the company, but it is not an action that reflects on the company's image. Intentionally trying to hide that the hotel made a mistake would go against the hotel value of honesty. If Leo had refused to correct the mistake, he would not have provided exceptional service.

SOURCE: CR:002

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 335, 546-547]. Tinley Park, IL: Goodheart-Willcox.

13. C

Return. Most businesses in the hospitality industry rely on repeat customers to be profitable. Poor customer service is the primary reason that customers do not return to a business, so it is important that every customer receive good service every time. Goodwill is either the kindness of customers—something a business cannot rely on to be profitable—or an intangible asset related to a company purchase. Capital is wealth and is not directly related to customer service. While some customers might review businesses in the hospitality industry, their personal records will not determine the success of a business.

SOURCE: CR:049

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

14. C

To accommodate the couple's special needs. Many people have dietary restrictions, so making sure that the airline could provide gluten-free meals is a way to accommodate the special needs of the couple. Not all clients will require calls to the airline about in-flight meals. Asking about in-flight meals is not related to the airline's contact information. Accessibility usually relates to physical disabilities and not meal restrictions.

SOURCE: CR:054

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 44-46]. Tinley Park, IL: Goodheart-Willcox.

15. C

A customer finds chocolates on her hotel room pillows after checking in. A moment of truth is any time a customer engages with a company and has an opportunity to form an impression. Moments of truth can be small. By placing chocolates on the guest's pillow, the company has created a positive customer experience that might give the customer a lasting, positive impression. While the business, manufacturer, and sales representative examples are all positive, they do not relate to the customer experience and therefore are not examples of a moment of truth.

SOURCE: CR:055

SOURCE: Hyken, S. (2014). *Manage your customer service moments of truth and create moments of magic*. Retrieved October 2, 2019, from <https://www.forbes.com/sites/shephyken/2014/11/25/manage-your-customer-service-moments-of-truth-and-create-moments-of-magic/#7610ee94e3eb>

16. A

Peak seasons. Peak seasons see the highest volume of customer demand, so managers often hire temporary staff during those seasons to make sure year-round staff isn't overwhelmed. Touchpoints include interactions between businesses and customers or potential customers. A critical moment occurs when customer experience is more significant than at other times. Residence time is the amount of time a customer will spend in a restaurant from start to finish.

SOURCE: CR:038

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [p. 46]. Tinley Park, IL: Goodheart-Willcox.

17. D

Hire more kitchen staff to cut down on wait times. Time utility exists when products are available at the time they are desired. If customers want food from a restaurant at a certain time, the food will only have time utility if they receive the food at that time. A restaurant can make sure that patrons get their meals on time by hiring more kitchen staff to keep up with the demand. Offering half-price appetizers and desserts, adding healthier dinner options to the menu, and training staff to improve customer service are not related to time utility.

SOURCE: EC:004

SOURCE: LAP-EC-013—Use It (Economic Utility)

18. B

Nebraska sales tax rate increase. A statewide sales tax rate increase would impact the most businesses in the state of Nebraska because any business involved in selling or buying products or services would be affected. Not all employers are affected by minimum wage increases because they may already pay more than the minimum wage. Many employers already provide paid vacation time to their employees, so they would not be impacted by a new law requiring it. Not all companies use interns, so only those who employ them would be impacted by a law requiring a standard of pay for them.

SOURCE: EC:105

SOURCE: LAP-EC-105—What's Shakin'? (Factors Affecting the Business Environment)

19. A
Spend less and take shorter trips locally. Regardless of the health of the economy, tourists still enjoy traveling. However, their travel preferences change. During economic recessions, tourists tend to spend less money, take shorter trips, and stay closer to home. They avoid staying at expensive resorts, for instance, and visit attractions closer to home. During difficult financial times, tourists are less likely to travel to reduce stress. Travel bonds provide financial protection to travel agents and other tourism professionals.
SOURCE: EC:136
SOURCE: Hill, B. (n.d.). *Economic trends in hospitality*. Retrieved September 30, 2019, from <https://smallbusiness.chron.com/economic-trends-hospitality-75175.html>
20. D
You can keep income earned from private property. Anything of value that people own is considered private property. In a private enterprise system, people are free to decide how to use the private property and when and how to sell it. This includes keeping any income earned by renting, leasing, or selling private property. People are not allowed to use your property without your consent. People are allowed to share property. The government does not own most of the property.
SOURCE: EC:009
SOURCE: LAP-EC-015—People Power (The Private Enterprise System)
21. B
Discouraging consumers from saving or investing. High and/or unexpected inflation can have negative effects on the economy—it can discourage people from saving or investing, decrease (not increase) consumer spending, reduce (not improve) the standard of living, and even cause (not prevent) shortages of goods.
SOURCE: EC:083
SOURCE: LAP-EC-083—Up, Up, and Away (Inflation)
22. C
The foreign exchange market is a global, decentralized market. Also known as the forex, the FX, or the currency market, the foreign exchange market is a global, decentralized market—in other words, the trades occur through financial institutions throughout the world, instead of in one centralized location (such as the New York Stock Exchange). Unlike other financial markets, the forex is in operation 24 hours a day (except on weekends). Anyone can exchange currency on the financial exchange market.
SOURCE: EC:100
SOURCE: LAP-EC-100—Get Your Money's Worth (Exchange Rate)
23. C
A stereotype. Stereotypes are set images or assumptions about a person, group of people, or a thing. Stereotypes are often based on race, gender, or culture. A stereotype based on culture, for example, is the assumption that all Americans are obese. A prejudice is an opinion or judgement based on a feeling or hearsay. Bias is an inclination to have a certain perspective in favor of or against a person. Stereotypes are opinions, not facts.
SOURCE: EI:017
SOURCE: LAP-EI-139—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)
24. A
Independent. People with initiative are independent and complete work with little direction or supervision, which makes them more valuable to the workplace. While honesty, kindness, and friendliness are all important traits to exhibit in the workplace, they have little connection to the trait of initiative.
SOURCE: EI:024
SOURCE: LAP-EI-240—Hustle! (Taking Initiative at Work)

25. C
Customer service. Customer service involves activities and benefits that a business and its employee provide to increase customer satisfaction and create goodwill. By listening and then repeating the customer's issue back to him, Cher shows that the guest is important to her and that she wants to make things right for the guest. By doing so, she helps increase the guest's satisfaction with his hotel stay and, more specifically, his meal. Mirroring occurs when someone unconsciously mimics another person's body language, speech, or attitude. Patience is the ability to endure life's aggravations and difficulties calmly. An oral presentation is a speech that brings an idea to someone's attention.
SOURCE: EI:090
SOURCE: CareerBuilder. (2017, May 30). *These 4 hospitality skills will help land any job*. Retrieved September 30, 2019, from <https://www.careerbuilder.com/advice/these-4-hospitality-skills-will-help-land-any-job>
26. C
Shifting and trying on other perspectives. The ability to look from other points of view will help you endure ambiguity because you'll have an open mind about all future possibilities. Addison is able to reduce uncertainty by seeing things from Ned's perspective. Addison is not necessarily listening actively; staying calm, neutral, and nonjudgmental; or focusing on creativity.
SOURCE: EI:092
SOURCE: LAP-EI-092—Embrace the Uncertainty (Developing Tolerance for Ambiguity)
27. D
Put problems into perspective. A positive attitude won't get rid of your problems, but it will help you handle them better. A positive attitude helps put problems into perspective and keeps them from becoming overwhelming. Similarly, a positive attitude won't permanently erase stress or fix your negativity, but it can help you handle your stress and see the good in every situation.
SOURCE: EI:019
SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)
28. B
Internal. Internal confidentiality involves any information shared among employees and their employers, including trade secrets and personnel information. External confidentiality, on the other hand, includes information that comes from clients or partners outside of a business. Secure confidentiality and continued confidentiality are side effects from maintaining internal and external confidentiality.
SOURCE: EI:103
SOURCE: Kokemuller, N. (2019). *Business etiquette concerning confidentiality*. Retrieved September 24, 2019, from <https://work.chron.com/business-etiquette-concerning-confidentiality-6214.html>
29. B
To learn about customers' interactions with the business. By learning more about customers' interactions with the business and viewing the business from the customers' point of view, a manager can determine which processes, procedures, touchpoints, etc., are working well and which have room for improvement. Although a manager may also solicit feedback to meet new employees, improve the payroll process, or increase employee productivity, that feedback is more likely to come from inside sources versus sources external to the business.
SOURCE: EI:106
SOURCE: Wellington, E. (n.d.). *Customer feedback: Why it's important + 7 ways to collect it*. Retrieved January 8, 2020, from <https://www.helpscout.com/blog/customer-feedback/>

30. D
Understands his audience. Joe is aware of the obstacles that he must overcome to persuade his friends to go out to eat so far away. These obstacles include the long drive, one friend's dislike of driving at night, and another friend's lack of a vehicle. By offering to drive his friends to the restaurant, Joe has demonstrated that he understands his audience and the obstacles that he faces in persuading them to go out to eat. Insufficient information was provided to determine if Joe has stated his case effectively, is using appropriate body language, or is confident that his friends will say yes.
SOURCE: EI:012
SOURCE: LAP-EI-121—Win Them Over (Persuading Others)
31. C
Give specific tips to the coachee on how to improve performance. In order for the coachee to improve, the coach needs to give specific tips on what the coachee can do to achieve his/her goals. It's important to avoid commenting on personal traits when coaching and instead focus on behaviors that can be improved. It's important for a coach to make sure that his/her own nonverbal behavior reinforces the feedback that s/he is sharing with the coachee. A coach should avoid focusing on negative actions; s/he should instead offer suggestions on how to be more successful next time.
SOURCE: EI:041
SOURCE: LAP-EI-041—Bring Out the Best (Coaching Others)
32. A
There are too many people for the barter system to work effectively. The barter system allows people to exchange one good for another. This is feasible if each party wants what the other one has. However, this is not always the case, especially in great numbers. Because barter relies on many different types of goods, there is no such thing as a barter coin. While we no longer use the barter system, theoretically there are plenty of goods for barter. The barter system would not invite more greed and corruption than any other financial exchange system.
SOURCE: FI:060
SOURCE: Gottheil, F.M. (2013). *Principles of economics* (7th ed.) [pp. 612-616]. Mason, OH: South-Western Cengage Learning.
33. D
Full-service broker. As a new investor, you need to work with someone such as a full-service broker who is willing to provide consultation. A full-service broker offers investing advice in exchange for a fee or commission. A discount broker will buy and sell securities on your behalf, but will not offer advice. An online broker commonly charges the lowest fees but also offers the least amount of advice. Information brokers collect data for marketing and other business purposes.
SOURCE: FI:075
SOURCE: Ryan, J.S. (2012). *Personal financial literacy* (2nd ed.) [pp. 381-382] Mason, OH: South-Western Cengage Learning.
34. D
Net income. When reviewing your business's bottom line, you are trying to determine if your business is profitable. Net income is the business's final profit, which is calculated after all expenses have been deducted and taxes paid. It answers the question "Is this business profitable?" and is often considered the most important item on the income statement. Revenue is the total amount of money earned by a business and does not take into account any expenses. Gross profit is the total profit made after subtracting the cost of goods sold and before other remaining expenses have been deducted. Total expenses do not take into account any money earned and will not accurately indicate the profitability of a company.
SOURCE: FI:094
SOURCE: LAP-FI-094—Watch Your Bottom Line (Income Statements)

35. C

Internal control. Internal accounting controls are policies and procedures that are created and enforced to ensure the reliability of accounting systems. Examples of internal controls include separations of duties, access control/authorization, documentation, physical audits, trial balances, reconciliations, and approval authority. Separation of duties is the dividing of accounting responsibilities so that no one person oversees the lifespan of a single financial transaction. By separating the duties that pertain to Bob's Barbecue's finances, Bob is safeguarding his restaurant from theft, fraud, and other financial issues. A petty cash fund is a small amount of money kept on hand by a business for business purchases. A bank reconciliation is a comparison of a business's internal accounting records to its bank account statements. External controls also impact business operations, but the source of these controls is outside the business, rather than in.

SOURCE: FI:113

SOURCE: Marshall, D. (n.d.). *Lesson 4: Cash controls*. Retrieved September 30, 2019, from <http://www.dwmbeancounter.com/BCTutorSite/Courses/Cash/lesson04-5.html>

36. B

Roadmap with directions that help you get to your financial goals. If the company goal is a destination, and the strategies for accomplishing that goal are directions, then the budget is a map that details where the company is and where it wants to go. Rather than protecting or safeguarding your finances, a budget is most successful when clearly communicated to all employees. A budget should not be locked into place; instead, it should be flexible and make room for adjustment. A well-planned budget is also one that integrates all of the specialized budgets so that they work together.

SOURCE: FI:106

SOURCE: LAP-FI-106—Money Tracks (Nature of Budgets)

37. B

Depreciation and amortization. Earnings before interest, taxes, depreciation, and amortization (EBITDA) measures a company's overall financial performance and profitability. To calculate EBITDA, Ahmed must take information from both the income statement and the cash flow statement. Information on the income statement that he needs includes earnings, tax, and interest. He can find the depreciation and amortization figures on the cash flow statement or in the notes to operating profit.

SOURCE: FI:541

SOURCE: Hayes, A. (2019, June 25). *Earnings before interest, taxes, depreciation and amortization-EBITDA*. Retrieved September 30, 2019, from <https://www.investopedia.com/terms/e/ebitda.asp>

38. D

Character and collateral. Creditors want to issue credit to people they believe can repay their debt. They look for traits of good credit risks, such as the integrity and reputation (character) of the individual as well as something of value that the person has to help secure the loan in case s/he fails to repay (collateral). While communication is helpful in the loan process, it is not a determining factor used by creditors. Cosigners can be an important part of the loan process, but creditors do not ask for these individuals unless other factors (such as the character and collateral of the initial loan request) are deemed insufficient.

SOURCE: FI:625

SOURCE: Investopedia. (2019). *The five c's of credit*. Retrieved September 23, 2019, from <https://www.investopedia.com/video/play/five-cs-credit/>.

39. B
Disrupting union-related conversations among employees. Employers cannot legally interfere in or disrupt union-related conversations among employees. Other examples of unfair labor practices by employers include providing illegal support to unions and discriminating against employees who choose to join (or not join) a union. Unfair labor practices by unions rather than employers include charging excessive union dues, striking for an illegal reason, or throwing members out of the union if they choose to cross an illegal picket line during a strike. Employers are not likely to fire employees who agree to work during a union strike.
SOURCE: HR:452
SOURCE: Guerin, L. (2019). *Unfair labor practices*. Retrieved October 1, 2019, from <https://www.nolo.com/legal-encyclopedia/unfair-labor-practices.html>
40. B
Service marketing focuses on relationships and involves performing acts to satisfy needs and wants. Service marketing involves performing acts—economic activities—to satisfy customers' needs and wants. Service marketing typically includes a greater focus on building strong relationships with customers than marketing tangible goods does. Services are intangible products, while goods are tangible. Because businesses generally supply services directly to the customer, it is difficult to separate a service from its producer.
SOURCE: MK:008
SOURCE: Key Differences. (2018, January 20). *Difference between product marketing and service marketing*. Retrieved September 27, 2019, from <https://keydifferences.com/difference-between-product-and-service-marketing.html>
41. D
Reduce company advertising costs. Short-term goals are objectives that take less than a year to achieve. Advertising costs can be reduced in a relatively short amount of time by limiting the amount of advertising used. Developing a new line of products, creating an image of superior customer service, and expanding business operations internationally are all long-term business goals that typically take a year or more to accomplish.
SOURCE: MK:015
SOURCE: LAP-MK-015—Act Now! (Employee Actions and Company Goals)
42. B
Business travelers. Business travelers are typically a lucrative market segment within the lodging industry. Business travelers are often loyal, dependable guests who normally are not as price-sensitive as leisure travelers are. Amenities that business travelers typically appreciate are free, fast Wi-Fi, in-room desks with ergonomic desk chairs, exercise facilities, free parking, and free coffee available around the clock. Families with small children are most likely to appreciate complimentary baby cribs, strollers, child-proofed rooms, and babysitting services. Senior travelers may need more healthful menus, disabled-friendly amenities, noise-free areas, and high-quality bedding and mattresses. Some of the best hotel amenities to provide to millennial travelers include communal spaces for socializing or co-working, hands-on classes, unique expressions, and special services for pets.
SOURCE: MP:035
SOURCE: Q4Launch. (2017, April 11). *Marketing to business travelers: The ultimate guide*. Retrieved January 10, 2020, from <https://q4launch.com/blog/marketing-to-business-travelers/>
43. A
Spreadsheet applications. Spreadsheet applications like Microsoft Excel and Google Sheets allow a user to manipulate and organize data in a variety of ways. Spreadsheet software, for instance, allows the user to total numeric values and create visual aids. Presentation software can be used to create a multimedia slideshow. Word processing software allows users to create documents. Graphics software allows the user to create and edit graphics, photos, and illustrations.
SOURCE: NF:010
SOURCE: Boogard, K. (n.d.). *6 things you should absolutely know how to do in Excel*. Retrieved September 24, 2019, from <https://www.goskills.com/Excel/Articles/Excel-essentials>

44. B
Mobile technology. Mobile technology (smartphones and other mobile smart devices) has impacted every aspect of the hospitality and tourism industry. Customers now expect to be able to find and book hotel rooms, view accommodation photos, check in to their destinations, compare prices, and more—all from their devices. One way that hospitality companies have responded to this growing trend is by offering more robust smartphone apps. Many hotels now offer apps that provide most of the same benefits of the traditional website, including tours of hotel rooms, price comparison tools, reviews, and check-in/check-out services. This example best demonstrates the impact of mobile technology on the hospitality and tourism industry, not customer feedback, changing travel habits, or social media influencers.
SOURCE: NF:313
SOURCE: Kumari, V. (2018, June 7). *How mobile technology is changing the hospitality industry*. Retrieved September 23, 2019, from <http://www.quytech.com/blog/mobile-technology-changing-hospitality-industry/>
45. C
The ability to better understand customer behavior. Insight into customer behavior is one of the most valuable benefits of big data. Hospitality and tourism companies can use big data to analyze how customers interact with their brands and use their services, helping the companies better understand what makes customers happy. For example, a hotel company could analyze customer data to determine if a certain individual is likely to take advantage of spa services or not. Using that information, the company could then tailor its communications to the customer's preferences. Enhancing company image, outperforming competing hotels, and selling more expensive hotel rooms may be peripheral goals of analyzing big data, but not primary goals.
SOURCE: NF:205
SOURCE: Marr, B. (2016, January 26). *How big data and analytics are changing hotels and the hospitality industry*. Retrieved September 23, 2019, from <https://www.forbes.com/sites/bernardmarr/2016/01/26/how-big-data-and-analytics-changing-hotels-and-the-hospitality-industry/#584710b81c22>
46. A
To create mailing lists. Databases are typically used to store, organize, and locate information such as names, addresses, contact dates, etc. Businesses and individuals, for instance, commonly use databases to generate mailing lists. Databases are not commonly used to edit a website, detect malware, or edit photographs.
SOURCE: NF:140
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. *Marketing essentials 2012* [pp. 213-214, 660-661]. Columbus, OH: Glencoe/McGraw-Hill.
47. C
Asset. Asset records include details regarding a business's furniture, equipment, and other items that enable the business to operate. The records include details such as asset descriptions, serial numbers, model numbers, and insurance policies covering particular assets. Legal records include contracts, agreements, intellectual property records, leases, work orders, etc. Financial records deal with money coming into a business and money paid out by the business. Payroll records contain details such as employee pay, deductions, identification numbers, and hours worked.
SOURCE: NF:001
SOURCE: LAP-NF-001—Record It (Business Records)

48. B

Inflation, investor confidence, and interest rates. Businesses generally examine six categories of information when conducting an environmental scan: the economy, demographics, society and culture, competition, government, and technology. Economic factors that business should pay attention to include inflation, investor confidence, and interest rates, as well as the stage of the business cycle, unemployment rates, tax rates, currency exchange rates, and foreign economic conditions.

Demographics are the physical and social characteristics of the population. Businesses consider social trends, or changes in society and culture, so that they can remain sensitive to customer needs and wants. Businesses may also examine the general competition, brand competition, and substitute products during an environmental scan. Even within a private enterprise system, the government still affects business decision-making, so businesses often research changing laws and regulations, monetary and fiscal policies, import/export restrictions, etc. Lastly, businesses examine new developments in technology to determine challenges as well as opportunities that may result.

SOURCE: NF:015

SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

49. D

Secondary. In general, data for research purposes are classified into two categories: primary and secondary data. Primary data are facts collected specifically for the problem or project at hand. In other words, primary data are collected through original research. Secondary data, on the other hand, are facts and figures that have already been collected for purposes other than the project at hand. Census data, psychographics, public opinion polls, and tourism forecasts are all examples of secondary sources of data, not primary (or "original") sources of data. "Seasonal" is not a term typically used to describe sources of information or data.

SOURCE: NF:281

SOURCE: Destination BC. (2015). *Research guide for tourism operators*. Retrieved September 24, 2019, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>

50. C

Primary. Primary data are facts collected specifically for the problem or project at hand. In other words, primary data are collected through original research. In this example, Open Road Bus Tours collects primary data through original research (the use of analytical tracking tools). Secondary data, on the other hand, are facts and figures that have already been collected for purposes other than the project at hand. Sources of secondary data in the hospitality and tourism industry include census data, psychographics, public opinion polls, and tourism forecasts. Research data are not generally classified as "outlying" or "non-specific."

SOURCE: NF:282

SOURCE: Destination BC. (2015). *Research guide for tourism operators*. Retrieved September 24, 2019, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>

51. C

Purchasing behavior and preferences. Many hotel chains, airlines, and other hospitality and tourism businesses use customer loyalty programs to collect pertinent customer information such as guests' contact information, purchasing behavior, and preferences. In exchange for this information, businesses with loyalty programs offer special deals, discounts, and benefits to guests who participate. Hospitality and tourism customers typically don't have to share their employment history or monthly income to take part in a loyalty program. If they apply for a credit card offered by a hospitality and tourism business, they often are required to provide that information. A feasibility study, which typically has no connection to customer loyalty programs, is an organized inquiry into the possible success of a business idea or venture. Distribution channels are paths or routes that goods or services take from the producer to the ultimate consumer or industrial user. While customers taking part in a loyalty program may be asked to identify their preferred communication channels, they aren't typically asked about their preferred distribution channels.

SOURCE: NF:283

SOURCE: Barnes, R. (2019). *How to capture more hotel guest data*. Retrieved January 10, 2020, from <https://www.openkey.co/how-to-capture-more-hotel-guest-data/>

52. A

The ability to paint a cohesive picture of a customer's pre-cruise, cruise, and post-cruise experience. Customer databases in hospitality and tourism can be extremely beneficial. They allow companies to view a comprehensive picture of a customer's experience with the brand, from the customer's first interaction to the time s/he checks out—and beyond. By studying these data, companies can determine which customers are likely to spend more money on their visits, make return visits, or recommend the company to their friends and family. Customer databases do not allow companies to study the finances, customer profiles, or marketing information of competitors. Databases do not guarantee an increase in profits; they simply allow companies to better understand their customers' behavior. It's unlikely that a company would experience increased pressure from competitors to offer special deals and promotions after starting to use a customer information database.

SOURCE: NF:284

SOURCE: Hospitality Technology. (2017, May 30). *6 ways a customer data platform improves hospitality service and marketing*. Retrieved September 25, 2019, from <https://hospitalitytech.com/6-ways-customer-data-platform-improves-hospitality-service-and-marketing>

53. A

Guest trend. Solo travel is a growing trend that hospitality and tourism companies should take note of. Many people—both young and old—enjoy traveling alone for various reasons. While traveling solo in the past may have been considered unsafe (or even socially unacceptable), solo trips today are increasingly popular. This is an example of a guest trend that impacts the hospitality and tourism industry, not a technological change, economic trend, or regulatory shift.

SOURCE: NF:287

SOURCE: Revfine.com. (2019). *Tourism trends: 13 opportunities for the tourism industry*. Retrieved September 25, 2019, from <https://www.revfine.com/tourism-trends/>

54. A

Descriptive statistics. Descriptive statistics are numbers that are used to summarize and describe data. Examples of descriptive statistics are mean (the simple mathematical average of a set of numbers), median (the middle number in a sorted list of numbers), and mode (the number occurring most frequently in a set). By analyzing descriptive statistics, marketing and other business managers can see the current state of affairs within the company as well as past performance. Predictive statistics, on the other hand, are used to help forecast future probabilities and trends based on historical data. Researchers use various modeling and statistical techniques to achieve this goal. In this example, Roger is analyzing descriptive statistics, not predictive statistics to aid his decision-making. He is not coding data or studying customer feedback.

SOURCE: NF:236

SOURCE: Lamar University. (2016, June 13). *How are statistics used to make business decisions?* Retrieved September 26, 2019, from <https://degree.lamar.edu/articles/undergraduate/how-are-statistics-used-to-make-business-decisions.aspx>

55. D

Three. The mode is the most commonly occurring number in a certain data set. In this case, the mode is three, which indicates that the most common frequency of visits among this customer group is three—not one, seven, or four.

SOURCE: NF:237

SOURCE: Purplemath. (2019). *Mean, median, mode, and range*. Retrieved September 26, 2019, from <https://www.purplemath.com/modules/meanmode.htm>

56. B

Convey the most important information in an easy-to-grasp way. Data that are displayed in charts, graphs, or tables are often easier to understand than data that are presented in their raw form. By presenting her data in a pie chart, Hannah helped her managers understand the most important takeaways from the data set. There are disadvantages to using charts, graphs, and tables, too. For example, these visuals can often make complicated issues seem less important than they truly are, leading the audience to miss out on the complexity of the problem or issue at hand. Similarly, charts, tables, and graphs do not allow the audience to absorb all of the details and intricacies of the data set being presented. In other words, they do not provide the audience with the “full picture.”

SOURCE: NF:289

SOURCE: Campbell, P. (2018, June 27). *What are the advantages and disadvantages of creating a chart?* Retrieved September 27, 2019, from <https://classroom.synonym.com/advantages-disadvantage-creating-chart-8470193.html>

57. C

Keep the slides simple. Presentation slides should be designed as simply as possible to avoid distracting, confusing, or overwhelming your audience members. Slides should include simple bullet points and one or two visuals at most. Text should be limited to whatever is absolutely necessary to convey the most important information. It would be unprofessional to include too many graphics or words per slide.

SOURCE: NF:290

SOURCE: Columbia College. (2019). *Giving presentations*. Retrieved September 27, 2019, from <https://columbiacollege-ca.libguides.com/presentations/software>

58. D

Distribution channels. Distribution is the marketing/business function that is responsible for moving, storing, locating, and/or transferring ownership of goods and services to customers. In the hospitality and tourism industry, services are transferred to customers in a number of ways. Hotels may transfer rooms to customers by means of their own websites, in-person travel agencies, or third-party online booking sites. These are examples of distribution channels, not quality control methods (processes and procedures designed to ensure the excellence of a good or service), public relations (the process of establishing and maintaining positive relationships between a business and its various publics), or customer relations (all the activities a business engages in to interact with its customers).

SOURCE: OP:522

SOURCE: SiteMinder. (2019). *3 keys to an effective hotel distribution strategy*. Retrieved October 1, 2019, from <https://www.siteminder.com/r/technology/hotel-online-distribution/3-keys-effective-hotel-distribution-strategy/#>

59. B

Malware attacks and identity theft. Malware is software created to damage or take over a digital system. Malware includes viruses and spyware. Identity theft occurs when an imposter seeks to use someone else's personal data for his/her gain. Encryption fraud is not a recognized threat, as encryption helps prevent unauthorized access to data and information. Antivirus scams are also not a recognized threat, as antivirus programs help protect computers against malware infections.

SOURCE: OP:064

SOURCE: Stair, R.M., & Reynolds, G.W. (2014). *Fundamentals of information systems* (7th ed.) [pp. 468-470]. Boston, MA: Course Technology.

60. C

Training. Both employees and employers should be educated about safety risks, requirements, and procedures. Training helps reduce and eliminate illnesses and injuries in the workplace, no matter the industry. Machinery can sometimes cause injuries, especially if someone is not careful to follow training protocol. While educating workers about the possible consequences of unsafe activities is encouraged, consequences do not actively work to prevent any accidents. Shortcuts often mean that a worker is not following training protocol and often can lead to more accidents.

SOURCE: OP:007

SOURCE: Atlantic Training. (n.d.). *Workplace safety tips: A comprehensive resource*. Retrieved September 24, 2019, from <https://www.atlanticttraining.com/safety-tips/workplace-safety-tips.php>.

61. A
Building layout. Building size and layout greatly influence the specific evacuation procedures and protocols for a hotel or motel. Smaller buildings, such as motels, may have simpler evacuation plans, while larger hotels and resorts may have more complicated procedures to ensure visitor safety. Guest count, government regulation, and severe weather may also affect evacuation procedures; however, they are not demonstrated in the example above.
SOURCE: OP:527
SOURCE: Smartdraw. (2019). *Evacuation plan*. Retrieved September 28, 2019, from <https://www.smartdraw.com/evacuation-plan/>
62. C
Install EMV-enabled (security chip) credit card terminals at the check-in desk. Most major credit card companies now provide EMV-enabled cards with security chips embedded in them to protect customers from credit card fraud. As a result, most businesses have switched over to EMV-enabled credit card readers. To reduce the chance of in-person credit card fraud, the Harborview Resort should install EMV-enabled credit card terminals. Waiving the requirement for presenting a photo ID at check-in could lead to more incidents of credit card fraud, not fewer. Similarly, loyalty members should still be required to reenter their credit card number upon making a new room reservation. Many credit card scammers use loopholes such as loyalty programs to steal customers' credit card information. Refusing to accept all credit cards would be unwise and unrealistic, since so many customers rely on credit to pay for hotel rooms.
SOURCE: OP:653
SOURCE: Carlino, N. (2018, June 21). *How hotels can mitigate their fraud risk*. Retrieved October 1, 2019, from <https://togo.hotelbusiness.com/article/how-hotels-can-mitigate-their-fraud-risk/>
63. A
A teacher says that research papers must be free of grammatical errors. Quality standards are a way to measure the excellence of a final product. To be considered excellent, a research paper must be free of grammatical errors. Adding a sunroof to a new car model is not necessarily a quality standard. When he realizes that he needs \$40 to buy supplies for his science project, Les is identifying resources rather than quality standards. Shannon is identifying risk (the risk of losing her assistant) rather than determining quality standards.
SOURCE: OP:519
SOURCE: LAP-OP-519—Plan On It! (Planning Projects)
64. A
The business can limit its dependence on a single vendor. If businesses use multiple vendors, they are able to fall back on one of their other suppliers in case one vendor is having issues, often due to unforeseen circumstances including natural disasters and access to supplies. Easily developing working relationships, receiving discounts on high-volume orders, and keeping vendors accountable for any mistakes are all benefits of working with a single vendor.
SOURCE: OP:161
SOURCE: Dawson Consulting. (2018). *Should you choose a single or multiple supplier strategy?* Retrieved September 25, 2019, from <https://www.dawsonconsulting.com.au/should-you-choose-a-single-or-multiple-supplier-strategy/>
65. D
Inventory. Inventory is defined as the goods a business has in stock. In the hospitality and tourism industry, “goods” may be available hotel rooms, sightseeing tours, or bus tickets. Hotel rooms that are available for reservation are not accessories, which are goods or services that complement others. They are also not a type of currency, which is the money that a country uses to buy and sell goods and services. “Bottom line” is used to refer to a business’s net income, not its goods or services.
SOURCE: OP:336
SOURCE: Xotels.com. (2019). *Inventory*. Retrieved September 30, 2019, from <https://www.xotels.com/en/glossary/inventory>

66. C

Turning off lights when no one is working. By turning off lights, the employee can help control and reduce utility costs the business must pay. Shortening his/her commute to work might help control expenses for the employee, but it would not help reduce costs for the company. Watering the plants outside the office is a nice gesture, but it would not reduce costs like limiting electricity use would. Re-shelving company manuals would not control costs and instead might cost the company more money if it is completed during company time when the employee should be working on something else.

SOURCE: OP:025

SOURCE: LAP-OP-025—Buck Busters (Employee Role in Expense Control)

67. D

Completing invoice forms with as much detail as possible. Invoices are only as valuable as the information they contain. Invoices should be completed with as much detail as possible to avoid conflicts between the client and the seller like the one described above. Vague descriptions of the services promised can lead to confusion, disagreement, and overall client dissatisfaction. For example, "five hours of DJ service including speakers, lighting, setup and cleanup" is a much better description for an invoice than "five hours of DJ service." It is also important to make sure that client information is accurate on invoices so that clients can be reached for further questions or concerns. Following up on late or unpaid invoices and running regular profit and loss reports on invoices to date are also best practices for businesses; however, these are not described in the example.

SOURCE: OP:184

SOURCE: FreshBooks. (2019). *How to keep track of invoices and payments*. Retrieved September 30, 2019, from <https://www.freshbooks.com/hub/payments/keep-track-of-invoices-and-payments>

68. D

Implement cybersecurity training for employees. Many cybersecurity breaches occur because of human error from within an organization. Employees may unwittingly leak sensitive customer data or fall prey to internal phishing scams. For this reason, it is essential that hospitality and tourism companies implement cybersecurity training for employees. Employees should be educated on the proper handling of private information as well as how to recognize signs of suspicious activity. Companies should not simply trust that employees will adequately protect customer data; they should educate their employees so that they are properly prepared. At the same time, they should not assume that employees are completely incapable of protecting customer data. Most employees are willing and able to learn how to better protect customer data. Lie detector tests are not typically used when hiring employees.

SOURCE: OP:518

SOURCE: Social Tables. (2019). *Hotel data: 5 strategies for safeguarding customer data against cyber attacks*. Retrieved September 30, 2019, from <https://www.socialtables.com/blog/hospitality-technology/hotel-data/>

69. A

Water and energy conservation. Sustainable practices in the hospitality industry have taken off in recent years as public concern for the health of the environment has increased. It is now an industry standard to place signs in guest bathrooms offering visitors the opportunity to reuse their towels. When taken advantage of, this practice saves considerable water and energy. This is not an example of how hotels are reducing waste, embracing recycling, eliminating toxins in bath products, or using organic cleaning products; however, many hotels have also implemented these practices to further reduce their impact on the Earth.

SOURCE: OP:658

SOURCE: Hard, R. (2019, February 4). *The most common sustainability and eco-friendly hotel initiatives*. Retrieved October 1, 2019, from <https://www.thebalancesmb.com/sustainability-and-eco-friendly-hotel-initiatives-1223545>

70. D

Reduce break-ins and ensure room security. The ability to reprogram keycards allows hotels to strengthen their overall security by reducing the chance of room break-ins. Room keys that can be remotely deactivated decrease the chance of a potential thief gaining access to a guest room. Keycards that can be reprogrammed do not necessarily help hotels screen potential guests for security risks, recover more lost keycards, or improve after-hours services.

SOURCE: OP:115

SOURCE: Koorsen Fire & Security. (2016, September 16). *How the hospitality industry tackles security risks*. Retrieved September 28, 2019, from <https://blog.koorsen.com/2016/09/how-the-hospitality-industry-tackles-security-risks>

71. D

Yes, because she made a selection that fits her objective. Kate wanted a picture that would encourage the company's employees to attend the picnic. Her choice in picture helps make the picnic seem fun and appealing to her coworkers, which will help with attendance. Making a decision does not require either more than two options or input from other people (although both are sometimes a part of the decision-making process). Kate was not in an undesirable situation that she wanted to change for the better, so she was not solving a problem.

SOURCE: PD:017

SOURCE: LAP-PD-017—Weigh Your Options (Decision-Making)

72. C

The business field is very competitive. Self-confidence helps a person accomplish his/her career goals because s/he can handle setbacks and disappointments. People who believe in themselves are able to persist and reach their goals. Behaving in ethical and reliable ways helps a person become trustworthy regardless of his/her self-confidence level. Many business careers do not require an employee to manage others or learn complex financial concepts.

SOURCE: PD:025

SOURCE: LAP-PD-025—Go for It! (Careers in Business)

73. A

Is neat and looks professional. Because you are applying for a job, you want to make sure that you present yourself in the most professional way possible. A messy résumé does not reflect well on a potential employee. A colorful résumé may seem unprofessional and detract from the content of your résumé. Employers prefer brief, one-page résumés, rather than résumés that include detailed descriptions for all of your accomplishments. Your résumé should contain your contact information so that the company can contact you in case you are called for the next steps in the interview process.

SOURCE: PD:031

SOURCE: Littrell, J.J., Lorenz, J.H., & Smith, H.T. (2012). *School to career* (9th ed.) [pp. 332-336]. Tinley Park, IL: Goodheart-Willcox.

74. C

Hotel manager. While some jobs in hospitality and tourism only require a high school diploma or associate degree, higher level positions such as hotel manager require at a bachelor's degree in hotel and restaurant management. A hospitality management professor generally requires both a master's degree and a doctorate degree. High school graduates cannot typically get entry-level hotel positions without any additional formal schooling. A hotel front-desk management position is likely to require an associate's degree.

SOURCE: PD:272

SOURCE: Reynolds, J., & Chase, D. (2014). *Hospitality services: Food, lodging, travel, tourism, recreation* (3rd ed.) [p. 468]. Tinley Park, IL: The Goodheart-Wilcox Company, Inc.

75. D
Procedures for handling conflicts of interest. Items in an organization's code of conduct include specific behaviors that are expected or prohibited. Procedures for handling conflicts of interest are specific behaviors expected by the company. Information about the current staff and the organization's history are not relevant to conduct. Information about state/provincial and local laws are not specific to the organization and are therefore unlikely to be included in its code of conduct.
SOURCE: PD:251
SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)
76. A
Depletion of natural resources in tourist areas. In some parts of the world, tourism has had a substantial negative impact on the local environment, especially natural resources. Certain hospitality and tourism businesses such as golf courses require a significant amount of water in order to operate. As a result, the share of water left for local residents usually declines, especially in regions where water is already scarce. Tourism can also negatively impact local land use, resulting in the destruction of many plant and animal habitats. Although hotel exercise rooms may be declining in popularity, more people may be interested in outdoor recreation, and there may have been improvements in car travel in recent years, those are must less likely to be ethical issues.
SOURCE: PD:400
SOURCE: The World Counts. (n.d.). *The negative environmental impacts of tourism*. Retrieved January 10, 2020, from https://www.theworldcounts.com/counters/impact_of_transport_on_environment/negative_environmental_impacts_of_tourism
77. D
Recreation. The recreation segment of the hospitality industry includes businesses that offer activities for rest, relaxation, and enjoyment. Examples include professional sporting events, concerts, and amusement parks. The tourism industry includes businesses that plan and organize trips for individuals and groups. Examples are meeting and convention planners and travel agents. The travel segment includes businesses that physically transport travelers, such as rental car agencies and airlines. Exploration is not a segment of the hospitality industry.
SOURCE: PD:111
SOURCE: Reynolds, J., & Chase, D. (2014). *Hospitality services: Food, lodging, travel, tourism, recreation* (3rd ed.) [pp. 8-12]. Tinley Park, IL: The Goodheart-Wilcox Company, Inc.
78. D
Low profit margin. Pricing affects promotion decisions in a number of different ways. For instance, products with very low profit margins are usually promoted in lower priced media. In other words, companies that have low profit margins and/or small promotional budgets often promote themselves largely on social media, which usually costs very little. The opposite would be true for a product with a high profit margin. Products that have high profit margins are usually promoted in a combination of media, including radio, television, newspapers, and magazines. Flexible and realistic prices are not as likely to affect a business's promotional decisions.
SOURCE: PI:001
SOURCE: LAP-PI-002—The Price Is Right (Nature of Pricing)
79. D
Developing new products. If a product has made it through every other stage in the new-product development process, it is finally ready for commercialization. This is the point at which the product goes into full-scale production, a marketing plan is put in place, service and sales training are conducted, and the product's life cycle begins. Monitoring existing products means monitoring those that are already on the market. Eliminating weak products means withdrawing unsuccessful products from the market. Revamping outdated products is part of monitoring existing products, where product managers can assess whether modifications need to be made.
SOURCE: PM:001
SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

80. C

Increased profits. Companies that build a reputation for carrying out the terms of their guarantees create a positive image that leads to higher sales, more repeat customers, and greater profits. If the hotel had not had its money-back guarantee, J.D. might have been “turned off” by his initial experience and never returned to the hotel again, and the hotel would have missed out on the profits from his patronage. Product improvements benefit the company when the business is able to make corrections and improvements based on customer feedback. Clarification of standards benefit the company when the establishment of clear standards leads to better organization of the entire business. Reduced anxiety about purchases is a customer benefit of guarantees.

SOURCE: PM:314

SOURCE: The Conversation. (2017, July 23). *The economics of the money-back guarantee*. Retrieved January 16, 2020, from <http://theconversation.com/the-economics-of-the-money-back-guarantee-80876>.

81. C

Increases sales revenue. Bundling occurs when a business sells multiple, often complementary, products at a single price lower than what the products would have sold for separately. By encouraging customers to purchase more products than the business would otherwise have sold, the company increases its sales revenue. While bundling does reduce the overall packaged price and often represents value and savings, these are benefits for customers purchasing the bundled items rather than the business. Companies who bundle products might have customers who appreciate this sales strategy, but bundling does not directly establish trust in the same way that it increases revenue.

SOURCE: PM:041

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 373]. Tinley Park, IL: Goodheart-Willcox.

82. A

Differentiation. Because she decided to only offer recyclable tableware, June is differentiating her bistro from other businesses by providing a unique product or service. The recyclable tableware will cost more to provide, but June is able to charge a higher price because she offers something other restaurants do not. Cost leadership is a strategy that provides products and services at a lower price. Focus is a strategy that involves a business targeting its market more effectively than others. Bundling occurs when a business sells multiple, often complementary, products at a single price lower than what the products would have sold for separately.

SOURCE: PM:246

SOURCE: Amadeo, K. (2019). *What is competitive advantage? Three strategies that work*. Retrieved September 26, 2019, from <https://www.thebalance.com/what-is-competitive-advantage-3-strategies-that-work-3305828>

83. A

It makes and maintains emotional connections with customers. Brand personality is the projection of a brand that encompasses its values and emotional connections with consumers. When a company understands its brand personality, it can use that knowledge to interact with customers and increase profitability. Brand values are beliefs that get to the heart of what the company truly cares about. The brand personality is about the business, not the opportunity for customer expression. A brand promise is the spoken or unspoken agreement to consistently meet expectations and deliver on brand values.

SOURCE: PM:206

SOURCE: LAP-PM-020—Corporate Identity (Nature of Corporate Branding)

84. C

Are cheaper and safer than introducing new products. A product extension, or line extension, uses an existing brand to introduce a new and related product in the same product category, often to satisfy previously unmet needs in that market. Because product extensions can rely on the reputation of the parent brand, they are often less expensive and less risky than introducing a completely new product. Brand extensions allow businesses to compete in different product categories. Product extensions have no bearing on manufacturing speed. Product extensions build off of, but do not replace, products already on the market.

SOURCE: PM:099

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Part 5-11-6g; Part 5-12-1a]. Boston, MA: Cengage Learning, Inc.

85. B

Discussing and defining the team's criteria for a vendor. Before beginning the search process, it is important to document the business and vendor requirements as a team. This ensures everyone is on the same page and that the selection process is as efficient as possible. Requesting quotes with proposals occurs after documentation of criteria. Performing interviews with vendors is not always necessary and occurs after the documentation of criteria. Developing a contract negotiation strategy occurs after selection of a vendor.

SOURCE: PM:239

SOURCE: Bucki, J. (2019). *How to select the right vendor for your business*. Retrieved September 27, 2019, from <https://www.thebalancesmb.com/the-successful-vendor-selection-process-2533820>

86. D

Secondary. Secondary, or selective, product promotion is used to stimulate demand for a specific brand of product. Honda's ad campaign is informing consumers about the Honda Civic brand. Primary product promotion aims to stimulate demand for an entire class of goods such as automobiles. Institutional promotion, also known as corporate promotion, typically aims to create a certain image of the company in the eyes of consumers. Patronage promotion is a type of institutional promotion designed to promote a company's prestige or features.

SOURCE: PR:002

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

87. B

Sales promotion. Sales promotion is an element of the promotional mix that involves promotional activities (other than advertising, personal selling, and publicity) that stimulate customer purchases. Examples of sales promotion include coupons, sweepstakes, and buy one, get one free offers. Publicity is any nonpersonal presentation of ideas, goods or services not paid for by the company, organization, or individual benefiting from it. Advertising is any paid form of nonpersonal presentation of ideas, images, goods, or services. Direct marketing is advertising that seeks a specific, measurable action from a targeted group of consumers, using direct mail, telemarketing, emails, etc. that are sent directly to a consumer's home or business.

SOURCE: PR:003

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

88. C

Partnership. A cross-promotional partnership involves two or more organizations working together to encourage their customers to use the other business's products. A discount is a deduction from the price of a product. A dealer incentive is a limited-time discount by a manufacturer to its intermediaries to prompt them to purchase and/or further promote the manufacturer's products to customers. A human directional is an individual wearing or holding signs to advertise a business or product.

SOURCE: PR:082

SOURCE: Morello, R. (2018, April 20). *Sales promotion in tourism: Its objectives and methods*. Retrieved October 2, 2019, from <https://yourbusiness.azcentral.com/sales-promotion-tourism-its-objectives-methods-10392.html>

89. B

Reliability. A reliable service is one that is consistently performed well. Customers look for reliability in the services they use so that they can rest assured that the job will be done and done well. Serviceability, durability, and destructibility are all words used to describe tangible products, not services. A serviceable product is one that can be maintained or repaired. A durable product is one that performs its purpose for a long period of time. A destructible product is one that can be destroyed.

SOURCE: QM:001

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

90. A

Security cameras. Many businesses, including hotels, use video surveillance, security guards, physical locks, and/or data encryption to prevent theft. Fire sprinklers, carbon monoxide detectors, and crisis management plans are important tools in risk management, but they don't necessarily prevent theft.

SOURCE: RM:058

SOURCE: Kenton, W. (2019, August 12). *Risk control*. Retrieved October 2, 2019, from <https://www.investopedia.com/terms/r/risk-control.asp>

91. D

It's cheaper to retain current customers than to attract new customers. Making the first sale to a new customer can cost a business a lot of money! Between advertising, determining a customer's wants and needs, and building a new relationship, the costs can add up quickly. Once businesses have built a loyal clientele, they can cut back on some of these expensive activities. Therefore, selling to repeat customers is cost effective and usually more profitable. Word-of-mouth advertising is one of the most effective ways to build a clientele. When you have a great experience with a business, you probably tell your friends, family, or coworkers all about it. Customers tend to trust recommendations from people they know. When they tell others about a business, loyal customers help promote the business and attract new customers. Salespeople generally earn more money when customers are loyal to their company. Many salespeople receive commissions or bonuses based on sales. Loyal customers who give all of their business to one salesperson can increase that salesperson's earnings. Salespeople are more likely to build a loyal customer base by avoiding controversial topics when talking with customers.

SOURCE: SE:828

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

92. C

Assurance that customers are treated fairly and consistently. Selling policies benefit the salesperson, the company, and its customers. They can prevent misunderstandings, reduce confusion for employees, keep salespeople from having to make decisions on their own, make sure appropriate action is taken when necessary, and assure that customers receive fair and equal treatment. Increased confusion for salespeople, greater chance of misunderstanding, and total freedom for salespeople are not results of implementing selling policies.

SOURCE: SE:932

SOURCE: LAP-SE-932—Sell Right (Selling Policies)

93. B

Yes. Customer feedback can provide product information the salesperson would otherwise not know. Product users are helpful sources of information. They can offer information that would be difficult for a salesperson to generate through other sources. Whether or not customer feedback leads to more sales does not affect whether that feedback is considered a good source. While customers are not necessarily industry experts, they can provide feedback about products that no one else can. Customers reviewing products online are publishing their feedback knowing that their insight is providing information to their audience.

SOURCE: SE:062

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

94. A
Put customers at ease and create a favorable first impression of the business. The completion of a sale is largely determined by the first few minutes that a salesperson spends with his/her customers. Salespeople can use their initial contact time with customers to put customers at ease, encourage customers to want to hear about the product(s), gain customer confidence, and create favorable impressions of themselves and the business. Asking the customer what time of day would be best for delivery is not an appropriate question to ask at the beginning of a sales meeting—the customer hasn't even heard about the product yet! Salespeople should speak clearly and at a normal pace, making sure to pause and ask if the customer has any questions. Speaking quickly without pauses is rude, especially if the customer has questions they would like to ask. Salespeople should not speak poorly about their competitor's products; instead, they should focus on the features and benefits of their own products.
SOURCE: SE:048
SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)
95. D
Help customers make good buying decisions. Customer satisfaction should be the final goal and outcome of the entire selling process. While suggestion selling/upselling can benefit the company, salespeople, and customers, it is important to only suggest additional items that would be valuable for the customer. When upselling, it is smart to limit your suggestion to just one or two additional products. Mentioning that you work on commission will not help with upselling and instead might make customers lose trust in you as a salesperson. The better quality, higher priced item is not always the best fit for a customer. Salespeople should take customer budgets into account when selling items.
SOURCE: SE:476
SOURCE: Patel, N. (2015, December 21). *How to upsell any customer*. Retrieved January 16, 2020, from <https://www.forbes.com/sites/neilpatel/2015/12/21/how-to-upsell-any-customer/#33381c94c406>.
96. D
Observing, questioning, listening. The best way to determine customer needs is to learn more about the customer. Observing includes nonverbal communication that the salesperson can use to better know her/his customer. Questioning lets the salesperson ask what the customer needs through different types of questions (yes/no, clarifying, open-ended, etc.). Listening is crucial, because if the salesperson asks a question and doesn't listen to the response, the question is useless. Presenting, visualizing, and follow-up usually occur after a customer's needs have been determined. Greeting, modifying, and focusing, as well as canvassing, qualifying, and organizing will not provide as much information about the customer as observing, questioning, and listening.
SOURCE: SE:500
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 539-540]. Tinley Park, IL: Goodheart-Willcox.
97. A
Can extend the customer base of the hotel. Happy customers buy gift certificates for friends, who become happy customers who purchase gift certificates for friends, and so on. With each satisfied customer and gift certificate purchase, the hotel promotes its property and builds its customer base. Gift certificates that can provide experiences (rather than just products) and are conveniently redeemable by recipients are benefits for the customers more than the hotel. Gift certificate production costs are usually not a large factor for hotels.
SOURCE: SE:479
SOURCE: Webrezpro. (2015). *Boost revenue with hotel gift certificates*. Retrieved September 30, 2019, from <https://www.webrezpro.com/boost-revenue-with-hotel-gift-certificates/>

98. A

Check the coupon's expiration date. Sometimes, customers may try to use a coupon that has already expired. Customers might not be aware that their coupon is expired, so employees cannot always give customers the benefit of the doubt. It is important for employees to double check the expiration date to ensure the coupon is still valid. It is not always necessary for a manager to input a discount. Looking online for fraudulent coupons is not an efficient use of company time and resources.

SOURCE: SE:149

SOURCE: King, K. (2017). *How to teach cash register use*. Retrieved September 30, 2019, from <https://bizfluent.com/how-6798733-teach-cash-register-use.html>

99. C

Scalar principle. A company's chain of command should have a clearly defined line of authority that connects all employees in the organization, also known as the scalar principle. That means that even entry-level employees should be able to understand how authority flows from the CEO all the way to them. Unity of command, another important consideration in building a chain of command, is a principle that states that no employee should answer to more than one supervisor at a time. Division of labor is the process of dividing a large job into units, or job tasks, and assigning an individual to do each of the tasks. The matrix structure is an organizational design that combines the traditional functional structure with the divisional structure. When using the matrix structure, employees answer to both a functional manager and to another cross-function team.

SOURCE: SM:064

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

100. D

Instructing. Directing is the management function of providing guidance to workers to achieve goals. Instructing is a directing activity that involves giving verbal or written instructions to an employee. Supervising is the act of overseeing employees' actions, monitoring their performance, and providing guidance and feedback. Motivating is the process of getting employees to strive to achieve management objectives. Disciplining and rewarding are other directing activities used to motivate employees. Managers discipline employees who are not following directions or meeting expectations in a number of different ways—a verbal or written warning, performance improvement plan, etc.

SOURCE: SM:066

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