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

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1. Limited liability is a characteristic of what form of business ownership?
   A. Sole proprietorship
   B. Partnership
   C. Corporation
   D. Joint proprietorship

2. Where are you most likely to read relevant, valid information about federal legislation such as copyright law?
   A. Online discussion forums
   B. Government publications
   C. Search engines
   D. Political blogs

3. What type of information should employees be able to locate in their company's employee handbook?
   A. The company's list of current job openings
   B. The use of company property
   C. The company's annual report
   D. The number of vacation days that an employee has taken

4. The employee didn't listen to the manager's explanation about how to perform a certain task because s/he had done a similar job before. Which of the following factors caused the employee not to listen effectively:
   A. Past experiences
   B. Attention span
   C. Age differences
   D. Language skills

5. Which of the following adds meaning to the words a speaker uses:
   A. Tone of voice
   B. Tempo
   C. Accuracy
   D. Economy of speech

6. Shawn is preparing for an interview with a local company. He knows that he should ask relevant questions about the job at the end of the interview. Which of the following will help him prepare these questions:
   A. Asking his friends what questions they think he should ask
   B. Relying on the interviewer to generate the questions
   C. Conducting research about the company prior to the interview
   D. Finding background information about the interviewer's high school and asking him/her about that to form a personal relationship

7. If an employee needs to do some research to answer a customer's telephone inquiry, the best action for the employee to take is to obtain the customer's telephone number and then
   A. put the customer on hold until the research has been completed.
   B. ask the sales manager to call the customer back.
   C. send the customer literature about the business and its products.
   D. follow up with the customer after obtaining the requested information.

8. What is an important consideration when giving employees verbal directions for completing a task?
   A. Employees process information differently.
   B. It is best to present information in reverse order.
   C. Employees usually ask questions when they are confused.
   D. It is unnecessary to use demonstrations to support verbal content.
9. Individuals who are able to defend their ideas objectively usually are able to provide others with
   A. unrelated statistics.
   B. emotional information.
   C. personal opinions.
   D. logical evidence.

10. In order to be understood on the telephone, a business's employees should always
   A. speak rapidly.
   B. use filler words.
   C. speak from notes.
   D. enunciate clearly.

11. When you state a fact, it's important to
   A. think before you speak.
   B. be accurate.
   C. generalize.
   D. change your mind.

12. Brooke is attending a meeting to discuss an upcoming project that she will be working on. To take
    effective notes during the meeting, Brooke must
   A. express opinions.
   B. answer questions.
   C. listen carefully.
   D. develop a briefing.

13. Which of the following is an example of a text-oriented graphic that is often used to illustrate a business
    process or organizational structure:
   A. Flowchart
   B. Pictograph
   C. Map
   D. Pie chart

14. A business that writes letters to customers to confirm their orders or requests should make sure that the
    letters contain
   A. a map of all business locations.
   B. product ratings and grades.
   C. exchange rates.
   D. all the necessary information.

15. It is most appropriate to format a section of a document with a numbered list when you are
   A. including a testimonial in a promotional piece.
   B. identifying the sequential steps of a process.
   C. using charts to summarize information.
   D. providing a detailed example to clarify a concept.

16. What is one reason why businesses write informational messages?
   A. To analyze sales proposals
   B. To develop research reports
   C. To explain new policies
   D. To obtain positive feedback

17. Why do advertising agency account executives often participate in meetings and problem-solving
    groups?
   A. To place ads in local newspapers
   B. To schedule production facilities
   C. To develop ad campaigns for clients
   D. To write copy for promotional brochures
18. It is easier for employees to develop positive customer/client relations if employees understand that each customer is
   A. a unique individual.
   B. a possible problem.
   C. in a hurry.
   D. like most others.

19. Employees who are in contact with customers can reinforce the company’s service orientation by dressing professionally and
   A. using consensus-building skills.
   B. offering deep discounts to loyal customers.
   C. referring customer complaints to others.
   D. maintaining a positive attitude.

20. What is one of the purposes of having business policies?
   A. To make sure the business’s actions are consistent
   B. To encourage customers to make frequent exchanges
   C. To ensure that the business makes a profit
   D. To allow employees to make decisions regarding customers

21. Which of the following is an appropriate action to take when dealing with difficult customers:
   A. Practice passive listening
   B. Maximize your talking
   C. Defend company policy
   D. Maintain eye contact

22. Are noncomplainers a more difficult problem for businesses than complainers?
   A. No, because noncomplainers do not express ill feelings.
   B. Yes, because records of the complaints cannot be maintained.
   C. Yes, because the salesperson does not have an opportunity to handle the complaint.
   D. No, because the salesperson can satisfy the noncomplainer within company guidelines.

23. Southwest Airlines expects its employees to reinforce the company’s brand promise—high quality customer service—at all times. Which of the following is the most significant aspect of the brand promise for all Southwest employees to remember?
   A. Long-term planning
   B. Profit maximization
   C. Ongoing promotion
   D. Consistent follow-through

24. For her best friend’s birthday, Keisha is shopping for a unique item—no substitute will do, and price is no object. What type of item is Keisha shopping for?
   A. Convenience
   B. Specialty
   C. Shopping
   D. Industrial

25. Economics is the study of how to
   A. reduce the public debt.
   B. increase the value of products.
   C. expand the role of government.
   D. meet unlimited human wants.
26. The marketing concept is all about the
   A. wholesaler.
   B. marketer.
   C. customer.
   D. retailer.

27. If a business reduces the price of an item from $3.75 to $3.00, demand for that item will usually
   A. remain the same.
   B. increase.
   C. fluctuate.
   D. decrease.

28. One way in which a business can show its social responsibility is by __________ its profits.
   A. controlling
   B. dividing
   C. reducing
   D. maximizing

29. Profitable businesses often help improve their local communities by
   A. building facilities in other cities.
   B. investing in foreign companies.
   C. contributing to worthy causes.
   D. increasing salaries of executives.

30. A new business that purchases insurance for its fleet of delivery trucks is handling risk by __________ it.
   A. retaining
   B. transferring
   C. controlling
   D. avoiding

31. The managers of several companies have gotten together to set prices for their businesses in order to eliminate competition. What illegal activity is taking place?
   A. Price fixing
   B. Price indexing
   C. Price control
   D. Price discrimination

32. Government provides protection to business owners' property through the use of
   A. minimum-wage laws.
   B. zoning laws.
   C. safety standards.
   D. consumer-protection laws.

33. Which of the following is an example of how leadership and emotional intelligence overlap:
   A. Proactive behavior
   B. Creativity
   C. Adaptability
   D. Positive attitude

34. An employer who thinks that all young people are lazy and poorly trained is an example of
   A. harassment.
   B. discrimination.
   C. hostility.
   D. prejudice.
35. As Ben assesses his personal strengths and weaknesses, what can he do to keep from focusing too much on his weaknesses?
   A. Develop a list of false generalizations
   B. Compare himself to others
   C. Identify one strength for every weakness
   D. Ask others for critical feedback

36. Which of the following is an example of an employee exhibiting self-confidence:
   A. Sam tries very hard to do his job well but becomes frustrated when he makes a small mistake.
   B. Ted is nervous about making his presentation because he forgot to bring his note cards.
   C. Lindsey is embarrassed because her supervisor asked a question that she could not answer.
   D. Jane believes that she can respond to unknown circumstances in a positive, calm way.

37. Which of the following would not communicate an attitude of interest and enthusiasm toward customers:
   A. Asking irrelevant questions
   B. Speaking expressively
   C. Choosing positive words
   D. Listening attentively

38. Your supervisor has given you a job to do which must be completed before you leave for the day. Another employee has finished her assignment and offers to help you. This person is demonstrating
   A. empathy.
   B. honesty.
   C. initiative.
   D. assertiveness.

39. Don likes to have lunch with coworkers every day, and they usually take a longer lunch break than the company allows. What are Don and his coworkers doing?
   A. Acting in a trustworthy manner
   B. Following ethical principles
   C. Stealing from the company
   D. Misusing their fringe benefits

40. A feeling that a person has about someone or something is known as a(n)
   A. attitude.
   B. aptitude.
   C. motive.
   D. value.

41. Ed forgot to take an important piece of mail to the post office. Which of the following is an appropriate response for Ed to make when his supervisor criticizes him:
   A. "I picked up all the mail that I saw."
   B. "I'm sorry; I don't know how I overlooked it."
   C. "I'm sorry, but someone should have told me."
   D. "I thought I picked up all the mail."

42. Which of the following responses expresses empathy:
   A. "I am so sorry. I understand how difficult that must have been for you."
   B. "I am so excited that we are leaving tomorrow on vacation."
   C. "I am so glad you liked the restaurant. We go there a lot."
   D. "I was so sorry to hear about the bad accident."
43. Even though she's very different from them, Marci values her coworkers and their ideas. She's willing to adjust her opinions and behaviors because she shows
   A. communication.
   B. cultural sensitivity.
   C. prejudice.
   D. ethnocentrism.

44. Which of the following statements represents assertive behavior:
   A. "Well, I did have plans for tonight, but I guess I can change them."
   B. "I already have plans for Friday, but I'd be glad to help you on Saturday."
   C. "This is how I want the project conducted, and I don't want to hear any complaints."
   D. "No wonder my sales are down; the manager of this department is totally incompetent."

45. It is appropriate to use the yielding conflict response mode in conflict resolution when
   A. both parties want to look at all sides of the issue.
   B. the other person is using bullying tactics.
   C. the issue is not very important.
   D. one person wants to ignore the problem.

46. What kind of team would take full responsibility for an entire line of products?
   A. Work team
   B. Quality circle
   C. Project team
   D. Short-term committee

47. If a leader takes ownership of a problem, makes sure it is fixed, and takes steps to prevent it from happening again, s/he is demonstrating
   A. adaptability.
   B. responsibility.
   C. flexibility.
   D. social awareness.

48. Trey is planning ahead to overcome obstacles that might stand between him and achieving his goals. Which tip for smart goal-setting is Trey following?
   A. Developing an action plan for each goal
   B. Putting goals in writing
   C. Regularly reviewing and revising goals
   D. Making sure goals are compatible with each other

49. Which of the following is an example of leading change:
   A. Initiating a meeting about updating your employee break room
   B. Learning that you've received a promotion
   C. Losing a customer to a competing firm
   D. Getting a new coworker from another department

50. Human relations can best be described as the study of the ways people
   A. form and conduct relationships.
   B. form and express opinions.
   C. handle communication.
   D. develop personal styles.

51. To delay payment when buying business supplies from a website, a purchaser is most likely to pay for the goods with a(n) __________ card.
   A. debit
   B. credit
   C. ATM
   D. store-value
52. Pedro received a check in the amount of $432.87 from the Tabor Corporation, a company in which he is a stockholder. This source of income is referred to as
   A. inheritance.
   B. wages.
   C. interest.
   D. dividends.

53. One of the reasons that businesses and consumers use credit is because it provides
   A. convenience.
   B. reassurance.
   C. interest.
   D. collateral.

54. When an item is purchased, money is exchanged for the right to
   A. own the item.
   B. use credit.
   C. file a claim.
   D. pay for the item.

55. You are more likely to achieve your goals if they are
   A. written down.
   B. based on needs only.
   C. long term.
   D. short term.

56. Which of the following is categorized as a fixed expense in a personal budget:
   A. Groceries
   B. Car payment
   C. Home repairs
   D. Clothing

57. On a pay stub, the total amount of money that a worker has earned for the pay period before deductions is listed as
   A. net pay.
   B. gross pay.
   C. tax-exempt income.
   D. overtime income earned.

58. When should you record bank transactions in your check register?
   A. When checks bounce
   B. When bank statements are received
   C. As bank statements are reconciled
   D. As soon as each check is written

59. Sheila pays the minimum payment shown on her credit card bill each month. For the remaining amount on the bill she will be charged a(n)
   A. annual percentage rate.
   B. annual fee.
   C. late fee.
   D. overdraft fee.

60. Which of the following could Lynn do to lower the risk of identity theft:
   A. Use secure web browsers when purchasing online
   B. Share bank account information with others
   C. Keep written records of all major cash purchases
   D. Write account passwords in a personal planner
61. Fiona made a $500 donation to a local homeless shelter last year. When she prepares her personal income tax form, she can claim the donation as part of her
   A. living expenses.
   B. public property.
   C. tax deductions.
   D. discretionary income.

62. Which of the following is an example of a lending investment:
   A. Antiques
   B. Homes
   C. Bonds
   D. Stocks

63. Useful financial information is understandable to
   A. accountants and managers.
   B. anyone who needs to use it.
   C. anyone with a background in finance.
   D. everyone.

64. What is the primary purpose of the accounting process in business?
   A. Tracking financial transactions
   B. Evaluating advertising activities
   C. Determining warehousing needs
   D. Buying production equipment

65. What is the advantage of using accounting standards?
   A. Presents financial information in a consistent format
   B. Allows businesspeople to summarize financial data differently
   C. Reduces the need for the full disclosure of financial data
   D. Identifies inconsistencies in business procedures

66. True or false: Companies without an HR department do not participate in HR management activities.
   A. False; in companies without HR departments, other managers and supervisors participate in HR management activities.
   B. True; smaller companies have no need for HR management.
   C. True; only HR managers can complete these activities.
   D. False; in companies without HR departments, all employees participate in HR management activities.

67. Identify the marketing function illustrated in the following situation: Martha wants a winter coat and sees a style she likes in a magazine advertisement.
   A. Promotion
   B. Selling
   C. Pricing
   D. Purchasing

68. Eric is viewing the results for an online search about the current economic situation in North America. Which of the following is going to provide Eric with the most reliable information:
   A. A two-day-old video clip of a CNN interview with a 16-year-old entrepreneur from Sheboygan, Wisconsin
   B. A six-page report written in 2009 by a Canadore College student for an economics class
   C. An excerpt from a second-edition high-school economics textbook that was published in the fall of 2005
   D. An article written by a Harvard economics professor that was published in a business magazine last month
69. Due to obsolescence, the format in which a business stores its information must often be
   A. summarized.
   B. archived.
   C. processed.
   D. updated.

70. Which of the following is a true statement about a management information system (MIS):
   A. It does not assist with a business’s information management program.
   B. It is the same thing as an information management program.
   C. It may be one part of a business’s overall information management program.
   D. It includes people, processes, and practices.

71. What is the importance of the computer hard drive in a computer system?
   A. It facilitates the computer’s audio transmissions.
   B. It permanently stores the computer program files and data.
   C. It allows the user to view the computer data.
   D. It transmits power to other computer devices.

72. Which of the following is a basic computer operating system that a business might use:
   A. Adobe
   B. Excel
   C. Oracle
   D. Windows

73. Which of the following do many businesses include on their websites in order to obtain feedback from customers:
   A. Computer programming code
   B. Portable document format
   C. Electronic file attachment
   D. Email inquiry field

74. Business people often use the calendar applications on their cellular telephones to
   A. track their appointments.
   B. obtain driving directions.
   C. send text messages to clients.
   D. check their email.

75. Elinor is using a word-processing program to prepare a business letter to send to the company’s suppliers. She has selected a ready-to-use letter template. If she wants to change the size of the text, she should access the __________ button in the format bar.
   A. font
   B. paragraph
   C. replace
   D. view

76. What software program would a local car dealer use to organize and sort customer information in order to mail postcards to customers to remind them when it is time for routine maintenance?
   A. Desktop publishing
   B. Word processing
   C. Spreadsheet
   D. Database
77. Jamal wants to purchase software for his small business that allows him to create text documents, prepare presentations, maintain a customer database, and develop numerical charts. What type of software would best meet Jamal's needs?
   A. Word processing
   B. Integrated
   C. Spreadsheet
   D. Trajectory

78. The primary purpose of groupware computer software is to
   A. support customers and employees by providing ongoing training.
   B. provide managers with the ability to monitor employees' behavior.
   C. allow employees to have access to the same information.
   D. encourage businesses to increase their market share and profits.

79. Stella has just finished designing the web page for her new business. Next, she needs to select a ___________ and register the website's ____________.
   A. web host, domain name
   B. hyperlink, modem
   C. media permit, server
   D. file link, ethernet

80. Operations managers must work closely with managers and employees in
   A. foreign markets.
   B. the marketing department only.
   C. competitive businesses.
   D. all other parts of the business.

81. It is important to report noncompliance with business health and safety regulations
   A. to ensure that the business pays a fine.
   B. to correct dangerous situations.
   C. to support whistleblowing policies.
   D. to protect business records.

82. Jeff is a stock clerk in a department store, and his friend Eric is a server in a restaurant. Which of the following statements is true about their safety at work:
   A. Jeff's job has fewer safety hazards than Eric's.
   B. They are exposed to the same safety hazards.
   C. Jeff's job has more safety hazards than Eric's.
   D. They are exposed to different safety hazards.

83. All employees can help maintain a safe work environment by
   A. replenishing supplies when they are needed.
   B. performing their daily duties in a timely manner.
   C. reporting noticeable hazards to management.
   D. cleaning up toxic waste when they see it.

84. Which of the following types of fraud is most likely to be committed by an unscrupulous competitor:
   A. Point-of-sale
   B. Robbery
   C. Pilferage
   D. Computer
85. Lily is the last employee to leave the building today. To reduce the risk of theft, Lily should __________ before she __________.
   A. adjust the thermostat, turns on the surveillance camera
   B. turn off the lights, sets the security alarm
   C. turn on the surveillance camera, adjusts the thermostat
   D. set the security alarm, locks the doors

86. Which component on a purchase order indicates the total price for all quantities of a single item:
   A. Unit price
   B. Amount due
   C. Extension
   D. Product code

87. Employees who are involved in production scheduling are responsible for
   A. issuing orders for production activities to begin.
   B. estimating how long each step in production will take.
   C. establishing the path inputs take through production.
   D. obtaining the resources needed in production.

88. When should a person select the appropriate outfit for a specific occasion?
   A. Before developing a hygiene routine
   B. Before showering and brushing teeth
   C. After conducting a final check
   D. After assessing the situation

89. In orderly and systematic behavior, things that you must do are grouped or arranged according to similar characteristics. This is known as __________ your activities.
   A. prioritizing
   B. classifying
   C. scheduling
   D. identifying

90. Which of the following would be considered a short-term objective:
   A. Becoming president of a large corporation
   B. Paying off a twenty-five year mortgage
   C. Finishing a six-week computer-software course
   D. Becoming fluent in a foreign language

91. Self-understanding helps you to raise your level of self-esteem because it
   A. gives you a true picture of yourself.
   B. identifies social activities you enjoy.
   C. helps you to develop personal interests.
   D. compares your skills with others' skills.

92. Which of the following is the most reliable source of information regarding an employer's general expectations in the workplace:
   A. Interoffice correspondence
   B. Company policy manual
   C. Coworkers
   D. Company website

93. What should individuals consider when identifying occupations that are of interest to them?
   A. Family history
   B. Parents' occupations
   C. Their personalities
   D. Friends' opinions
94. When considering employment opportunities in business, individuals should consider their
   A. health and safety.
   B. wants and needs.
   C. talents and skills.
   D. time and money.

95. One difference between entrepreneurs and small-business owners is that
   A. entrepreneurs usually purchase existing businesses or franchise rights.
   B. entrepreneurs rarely manage the day-to-day aspects of their businesses.
   C. small-business owners usually employ between 500 and 1,000 workers.
   D. small-business owners generally are not interested in expanding their businesses.

96. Sharon is completing a job application form that asks why she left her previous job. An appropriate
    guideline for Sharon to use in answering this question would be to
    A. be totally honest and open about her previous situation.
    B. avoid making any negative statements about the firm she left.
    C. say that she would rather not discuss the reason she left.
    D. describe the problems that caused her to leave.

97. Under which of the following circumstances should applicants send interview follow-up letters:
   A. If they are convinced they are qualified
   B. Only if they are interested in the job
   C. When they are sure they will get the job
   D. After every employment interview

98. Paul prepared a job résumé that addressed how his background and qualifications would meet the
    specific requirements of the job he wanted. Paul’s résumé is an example of a __________ résumé.
    A. targeted
    B. chronological
    C. generalized
    D. traditional

99. Who should take continuing education classes to keep up with changes in tax regulations?
   A. Martha Winters, Certified Public Accountant
   B. Paul Stanton, Corporate Security Advisor
   C. Gwen Colbert, Accounts Receivable Supervisor
   D. Carlos Ramirez, Product Acquisition Manager

100. A common problem of first-level supervisors is that they
    A. want to move up to mid-level.
    B. are unable to do long-range planning.
    C. lack training in management techniques.
    D. are unfamiliar with the work they supervise.
1. C
Corporation. Stockholders in corporations have limited liability; that is, their losses are limited to the amount of money that they have invested in the business. Partnerships and sole proprietorships have unlimited liability, meaning that the business owners are personally liable for debts incurred by the business. Joint proprietorship is not a form of business ownership.
SOURCE: BL:003
SOURCE: BL LAP 1—Own It Your Way (Business Ownership)

2. B
Government publications. Regardless of whether you are writing a report, preparing for a debate, or simply learning something new for the fun of it, identifying and reading sources that provide relevant, valid information about the subject at hand is very important. If you don't use relevant, valid information, you may write, say, or learn something that is misleading or untrue. A number of criteria are commonly used to determine if certain written materials are relevant and valid. These criteria include the author's credibility, the date of publication, the publisher, etc. For instance, if you are researching federal legislation such as copyright law, you are most likely to read relevant, valid information in government publications. The government writes and enforces copyright law and other federal legislation, so government publications about these laws are most likely to be timely, accurate, complete, and on topic. People commonly express their opinions, not facts, in online discussion forums. Search engines are software programs that automatically crawl the Web looking for information pertaining to specified search terms and display a list of results. The search engines themselves do not contain information about federal legislation; they direct you to other websites—some good and some not so good—about federal legislation such as copyright law. Political blogs typically reflect the opinions of their writers, so their information may or may not be relevant or valid.
SOURCE: CO:054

3. B
The use of company property. Businesses often develop employee handbooks, which provide information about their general policies and procedures. Employee handbooks are usually given to new employees when they are hired. Employee handbooks usually provide information about overtime and vacation policies, disciplinary and grievance procedures, pay schedules, dress codes, and behavioral expectations in its employee handbook. Many employee handbooks include information about employees and their personal use of company property. Company-property issues that the handbook might address include making personal long-distance phone calls on the company phone and using the office copy machine or laser printer for non-business purposes. Lists of the company's current job openings and personal information about vacation days are usually available through the human-resources department, and are not included in the employee handbook. Additionally, the company's annual report is not usually included in the employee handbook. Often, corporations post their annual reports on the company's website.
SOURCE: CO:057

4. A
Past experiences. People often think they know what someone is going to say before s/he says it and as a result do not listen well. People's past experiences may influence how well they listen because they think they already know the answer or understand the explanation. Effective listeners try to block out past experiences and focus on what the speaker is saying. Age differences, attention span, and language skills are other factors that may affect how well people listen.
SOURCE: CO:119
5. A
Tone of voice. People can change the meaning of their words by changing their tone of voice. For example, the same words can be a request or a command depending upon the tone used to deliver them. Tempo is the rate of speed or rhythm the speaker uses. Economy of speech is using as few words as possible to express an idea. Accuracy refers to the correctness of the message.

SOURCE: CO:147

6. C
Conducting research about the company prior to the interview. From the research, Shawn can write a few questions that directly relate to the company or its industry. Even though additional questions may come up during the interview, it is always best to be prepared with relevant questions based on research. It is important that Shawn confirms that the questions are relevant by researching them himself instead of taking his friends’ (or anyone else’s) advice. Questions about the interviewer’s personal life are not relevant to the job interview.

SOURCE: CO:058

7. D
Follow up with the customer after obtaining the requested information. When employees do not know the answer to their customers’ questions, they should take steps to get the answers. This often involves researching the problem or issue. When extensive research is required, an employee should obtain the customer's contact information and call him/her back with the requested information after the research has been completed. The nature of the inquiry determines if literature should be sent to the customer or if another employee or manager should answer the customer's inquiry. For example, a question about a bill may be better answered by an accounts-receivable employee than a purchasing agent. And, in this situation, it would be inappropriate to send product information.

SOURCE: CO:060

8. A
Employees process information differently. Because there are different ways that people process information, it is important to consider those differences when providing employees with verbal directions. For example, audio learners are more comfortable with sound and dialog, so when giving directions, it is beneficial to speak clearly and use terminology that the listeners can relate to. Sometimes this involves using a metaphor or simile to make a point. Diagrams and pictures are often useful when providing directions to visual learners. For learners who are motion-oriented, demonstrating the activity often reinforces the verbal explanation and makes it easier for employees to understand. This might include an actual demonstration or a video of a demonstration. It’s always a good idea to ask the employees if they understand the directions because they may be too embarrassed to ask questions—even if they are confused. Presenting the directions in reverse order may confuse the employees.

SOURCE: CO:083

9. D
Logical evidence. Being prepared will help individuals remain objective and able to offer logical evidence to back up their ideas. They should be prepared to explain supporting information because others may have questions or concerns about the ideas. Using logical evidence, such as related statistics or facts, will help individuals defend their ideas because they are relying on valid evidence rather than personal opinions. Individuals who defend their ideas objectively do not use emotional information, personal opinions, or unrelated statistics.

SOURCE: CO:061
10. **D**

Enunciate clearly. Enunciating clearly involves speaking clearly and distinctly, which makes the message easy for the listener to follow. The message may not be clear if employees mumble or speak rapidly. It is sometimes useful to have notes when speaking on the telephone, but it is not always necessary. Other guidelines to follow are to use appropriate vocabulary and to avoid using an excessive amount of "filler" words, such as "um" and "uh." Fillers words can be distracting and often indicate that the speaker is unsure about what s/he is saying.

**SOURCE:** CO:114


11. **B**

Be accurate. When you state a fact, it's important to be accurate. Make sure you can support your statement. Don't generalize. Stating a fact is not usually about thinking before you speak (as in stating an opinion) or about changing your mind (as in hearing a fact stated by another person).

**SOURCE:** CO:053

**SOURCE:** QS LAP 29—Put In Your Two Cents

12. **C**

Listen carefully. Brooke must listen to the speaker so she can identify the key points that she wants to write down. By noting the key points, Brooke will be able to refer the most important information when she needs it later. Effective note-taking does not involve answering questions or expressing opinions. Brooke might need her notes to develop a briefing, which is a summary of important information or instructions.

**SOURCE:** CO:085


13. **A**

Flowchart. Some graphics that are used in business reports are textual (text-oriented) because their content is presented in the form of words and numbers. An example of a textual graphic is a flowchart that presents the sequence of activities in a process. A common flowchart is an organizational chart that depicts the hierarchy of positions and departments within an organization. Pictographs, maps, and pie charts are considered visual graphics rather than textual graphics. Although they may contain some words and numbers, they also contain visuals such as bars, columns, and drawings.

**SOURCE:** CO:087


14. **D**

All the necessary information. When preparing written communication, one of the most important rules is to be thorough and provide all the necessary information because the receiver may not have the opportunity to ask questions in person. Letters confirming customer orders should answer the questions of who, what, when, and where by including specific information about ordered items, quantity, delivery address, etc. The letters should contain all the necessary information to verify that what the business intends to provide is exactly what the customers have requested. Whether product ratings and grades, exchange rates, and a map of all business locations are necessary information to include in a confirmation letter depends on the type of business and the customer's needs.

**SOURCE:** CO:016

15. B
Identifying the sequential steps of a process. When describing activities that need to be done in a specific order, the writer might want to number the steps to set the process apart from the text and to clarify the process. One testimonial or a single piece of information does not require a numerical designation to reinforce the order of content. Charts are graphics that summarize numerical data. A narrative writing format is usually most appropriate when providing an example to clarify a concept.

SOURCE: CO:088

16. C
To explain new policies. One of the main functions of an informational message is to provide information to readers in such a way that they understand the message. A type of written information that businesses often provide to customers is an explanation of new policies and how those policies will affect customers. For example, if a business is changing its credit policy, it wants to inform customers about the change and let them know that the change will benefit them. Research reports are an in-depth study of a specific business problem or situation. Businesses write informational messages to inform rather than to obtain feedback. Analyzing sales proposals involves reviewing information.

SOURCE: CO:039

17. C
To develop ad campaigns for clients. Account executives often participate in meetings with clients and other advertising agency staff to develop ad campaigns for the clients. The purpose of the meeting is to identify the clients' advertising needs, discuss ways of satisfying those needs, and design a successful campaign. In many cases, there are problems to solve because the client may have a limited advertising budget or specific requirements for the campaign. Account executives usually do not schedule production facilities. Media buyers are responsible for placing ads. Copywriters write copy for promotional brochures. These activities often take place after the meeting phase in order to implement the ad campaign.

SOURCE: CO:067

18. A
A unique individual. Each individual customer has his or her own basic personality, and s/he reacts in different ways to salespeople. Employees should be friendly and courteous to all and adapt to each customer's behavior in a positive manner. Considering each customer as a possible problem is a negative approach that would probably prevent good customer relations. Not all customers are in a hurry.

SOURCE: CR:003
SOURCE: CR LAP 1—Accentuate the Positive (Nature of Customer Relations)

19. D
Maintaining a positive attitude. A business's service orientation is its philosophy of providing quality service. To express its service orientation, a business uses various communication channels, one of which is the business's employees. The employees' verbal cues (e.g., words, tone of voice) and nonverbal cues (e.g., hygiene, dress, gestures, facial expressions) convey their personal attitudes, which customers often believe are a reflection of the business's attitudes. Employees who convey a positive attitude are willing to help customers. They convey this attitude by knowing the product and by being courteous and empathetic with their customers. Service-oriented employees also listen to their customers and help them resolve problems when possible, rather than referring complaints to coworkers. While it is important for employees to help customers, they are not always in a position to offer deep discounts.

SOURCE: CR:005
20. A
To make sure the business's actions are consistent. Business policies keep the day-to-day operations running smoothly and consistently. Policies ensure that employees will handle the same situations in the same manner, rather than making decisions regarding each customer, because the policies provide guidelines for employees to follow. Business policies cannot ensure profits. Policies usually set rules for exchanges of goods, but they do not encourage customers to make exchanges frequently.

SOURCE: CR:007

21. D
Maintain eye contact. As an employee, you want to show customers that you want to listen. To do this, you should maintain eye contact, look and act interested, avoid doing other things, concentrate on what the customer is saying, and ask questions to clarify, when appropriate. You should strive to minimize your talking while maximizing your active listening. Defending company policy before the customer has finished speaking may make the customer angry. Also, you should not raise your voice; instead, talk softly and slowly. Remember, customers take their cues from you.

SOURCE: CR:009
SOURCE: CR LAP 3—Making Mad Glad (Handling Difficult Customers)

22. C
Yes, because the salesperson does not have an opportunity to handle the complaint. Salespeople are not able to satisfy noncomplainers because they do not express their dissatisfaction to anyone associated with the business. They do, however, express ill feelings to friends, to relatives, and to coworkers. In this way, they create a poor image of the business. Because of this, they are a much bigger problem than complainers. Once salespeople know the source of customer complaints, they can seek ways to satisfy the complainers within company guidelines.

SOURCE: CR:010

23. D
Consistent follow-through. A brand promise is a company's agreement, spoken or unspoken, with customers that it will meet their expectations and deliver on its brand characteristics and values. A company must follow through by performing certain actions in consistent ways to fulfill that promise. Both long- and short-term planning can help the company develop strategies to carry out the brand promise; however, unless the strategies are carried out consistently, the planning efforts are useless. Ongoing promotion helps maintain brand awareness, but it does not fulfill the company's commitment to the customer through product quality, service, etc. The company's profits involve setting internal goals rather than carrying out promises made to customers.

SOURCE: CR:001

24. B
Specialty. Specialty goods are consumer goods with special or unique characteristics that consumers are willing to exert special efforts to obtain. The specialty item Keisha desires will take a lot of money and effort to acquire. A shopping good is a consumer good purchased after consumers compare goods and stores in order to get the best quality, price, and/or service. Keisha is not concerned with price. A convenience good is a consumer good purchased quickly and without much thought or effort. Keisha has put a lot of thought into this purchase. Industrial goods are purchased for resale, not consumer usage.

SOURCE: EC:002
SOURCE: EC LAP 10—Get the Goods on Goods and Services (Economic Goods and Services)
25. D

Meet unlimited human wants. Economics is the study of how people satisfy unlimited, competing, economic wants with limited resources. Although human wants are unlimited, the resources we have available to satisfy the wants are limited. The public debt and the role of government are governmental responsibilities. Economics does not increase the basic value of products.

SOURCE: EC:001
SOURCE: EC LAP 6—Are You Satisfied? (Economics and Economic Activities)

26. C

Customer. The marketing concept is based on the belief that all business activities should be aimed toward satisfying customer wants and needs. In other words, the customer is at the heart of the marketing concept. The marketing concept is not about the needs and wants of the marketer, wholesaler, or retailer.

SOURCE: EC:004
SOURCE: EC LAP 13—Use It (Economic Utility)

27. B

Increase. Demand is the amount of an item customers can and will purchase. When price decreases, the demand for a product usually increases. The demand usually does not remain the same, fluctuate, or decrease.

SOURCE: EC:006
SOURCE: EC LAP 12—When More is Less (Functions of Prices)

28. D

Maximizing. The more profit the company makes, the more it can grow, providing better salaries to its workers, more jobs in the community, and making possible larger charitable contributions and other benefits to society. None of these would be possible if the company reduces, divides, or controls its profits.

SOURCE: EC:070
SOURCE: EC LAP 20—Business Connections (Business and Society)

29. C

Contributing to worthy causes. When businesses make profits, they are more likely to contribute to worthy causes that help improve the communities in which they are located. They may provide funds to support higher education or to fight poverty and disease. Investing in foreign companies, building facilities in other cities, and increasing salaries of executives would not help improve the local community.

SOURCE: EC:010
SOURCE: EC LAP 2—Risk Rewarded (Factors Affecting Profit)

30. B

Transferring. The business has transferred the risk to the insurance company. The business will pay the insurance company fees called premiums in order to be reimbursed by the insurance company if its trucks are damaged, stolen, or wrecked. A risk is being avoided if it is recognized and eliminated. A business is retaining, or keeping, a risk if it does nothing about it. A risk is being controlled when measures are taken to prevent or reduce the risk factor.

SOURCE: EC:011
SOURCE: EC LAP 3—Lose, Win, or Draw (Business Risk)

31. A

Price fixing. Price fixing eliminates competition and is illegal. Price indexing is a method of measuring inflation. Price controls are used by the government to set prices for certain products and/or industries. Price discrimination occurs when businesses charge customers different prices for similar amounts and types of goods. It is also illegal.

SOURCE: EC:012
SOURCE: EC LAP 8—Ready, Set, Compete! (Competition)
32. B
Zoning laws. Government passes zoning laws to protect the value of business property by allowing only certain types of businesses to occupy an area. Minimum-wage laws, safety standards, and consumer-protection laws are all examples of areas of government involvement, but they are not related to protecting business property.

SOURCE: EC:008
SOURCE: EC LAP 16—Regulate and Protect (Government and Business)

33. A
Proactive behavior. Overlaps of leadership and emotional intelligence include proactive behavior, perseverance, positive working relationships, and confidence. Proactive behavior is taking action before problems develop. Although creativity may be helpful to a leader, it is not a leadership skill that overlaps with the skills of emotional intelligence. Adaptability is accepting change without becoming fearful or angry. A positive attitude is being optimistic and willing to start new projects without all the details. Adaptability and a positive attitude are characteristics of self-management.

SOURCE: EI:001
SOURCE: EI LAP 6—EQ and You (Emotional Intelligence)

34. D
Prejudice. Prejudice is an opinion or judgment that is based on feelings or hearsay, rather than fact. Prejudice is an attitude, not an act. An employer who thinks that all young people are lazy and poorly trained is exhibiting prejudice because the employer is putting all young people into one category and is not considering individual differences. If employers refuse to hire young people because they are prejudiced against them, the employers are guilty of discrimination, which is unfair treatment of a person or a group based on the person's or group's characteristics, e.g., race, gender, age, etc. Harassment is any kind of behavior toward another person that is carried out for the purpose of annoying or threatening the individual. Hostility involves acting in an unfriendly or menacing manner.

SOURCE: EI:017

35. C
Identify one strength for every weakness. Although an important aspect of self-assessment is evaluating your weaknesses, obsessing over them will only discourage you. If you identify one strength for every weakness, you will have a more accurate, realistic assessment of yourself. Comparing yourself to others and making false generalizations may also hinder your ability to accurately assess yourself. Asking others for both positive and negative feedback is an important aspect of the self-assessment process, but it is counter-productive to obsess over the negative feedback.

SOURCE: EI:002
SOURCE: EI LAP 17—Assess for Success (Assessing Personal Strengths and Weaknesses)

36. D
Jane believes that she can respond to unknown circumstances in a positive, calm way. Self-confidence is a positive belief in your own talents, skills, and objectives. Because Jane believes that she can respond to unknown circumstances in a positive way, she is a self-confident person. Being nervous, being embarrassed, and being frustrated may indicate a lack of self-confidence.

SOURCE: EI:023

37. A
Asking irrelevant questions. Any questions should be relevant to the customer's wants and needs in order to indicate your interest in meeting those needs. Choosing positive words, speaking in an expressive manner, and listening are all ways to exhibit interest and enthusiasm.

SOURCE: EI:020
38. C
Initiative. Initiative is defined as the willingness to act without having to be told to do so, or the willingness to accept or seek additional or unpleasant duties. The employee who offers to help another is showing initiative by seeking additional duties. Empathy means the ability to put yourself in another person's place. Assertiveness is behavior that is characterized by respect for personal rights as well as for the rights of others. Honesty is truthfulness.
SOURCE: EI:024
SOURCE: EI LAP 2—Hustle! (Taking Initiative at Work)

39. C
Stealing from the company. Don and his coworkers are stealing time from the company because they are not working during all of the hours for which they are being paid. Allocating a certain amount of time for a lunch break is routine business procedure, not a fringe benefit. These employees are demonstrating that they do not follow ethical principles or act in a trustworthy manner.
SOURCE: EI:022

40. A
Attitude. Attitudes are very personal feelings and values. Attitudes may be positive or negative. Values are ideas, beliefs, etc., held by an individual. Aptitude is possessing the skill or ability to do something. Motives are the reasons underlying an individual's behavior.
SOURCE: EI:019
SOURCE: EI LAP 3—Opt for Optimism (Positive Attitude)

41. B
"I'm sorry; I don't know how I overlooked it." In order to benefit from criticism, start by admitting you were wrong. This can be hard to do, or embarrassing, but you can learn to do it. Even when the criticism is justified, as it was in Ed's case, the person making the criticism will have more respect for you if you accept blame. All of the other alternatives are excuses.
SOURCE: EI:003
SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)

42. A
"I am so sorry. I understand how difficult that must have been for you." Empathy is the ability to put yourself in another person's place. It enables you to imagine how the other person sees things and feels about them. The other alternatives are comments that do not involve empathy.
SOURCE: EI:030
SOURCE: EI LAP 12—Have a Heart (Showing Empathy to Others)

43. B
Cultural sensitivity. The willingness to adjust your opinions and behaviors so that you value different people and ideas is cultural sensitivity. Communication is an exchange of information. Prejudice is an opinion or judgment that is based on feeling or hearsay, rather than fact. Ethnocentrism is the belief that your own culture is naturally better than other cultures.
SOURCE: EI:033
SOURCE: EI LAP 11—Getting to Know You (Cultural Sensitivity)

44. B
"I already have plans for Friday, but I'd be glad to help you on Saturday." Assertive behavior is characterized by respect for personal rights as well as for the rights of others. "Well, I did have plans for tonight, but I guess I can change them," represents passive behavior. Passive behavior is characterized by a failure to exercise personal rights and a lack of respect for personal needs. The remaining alternatives represent aggressive behavior, which is characterized by a willingness to ignore the rights of others and to exploit them in order to achieve personal goals.
SOURCE: EI:008
SOURCE: EI LAP 18—Assert Yourself (Assertiveness)
45. C
The issue is not very important. The way a person reacts to conflict is called his/her conflict response mode. The yielding response mode means that one party accommodates or gives in to the other party's request. Yielding is most appropriate when the issue isn't very important, such as deciding where to go to lunch. Bullying tactics are characteristic of the forcing conflict response mode. This often involves physical or emotional abuse, is hurtful to relationships, and is inappropriate to use. A person who wants to look at all sides of the issue is using the problem-solving response mode. A person using the withdrawal response mode tries to ignore or avoid the conflict. This response mode often increases the person's level of stress because s/he is always thinking about how to avoid the other person who is involved in the conflict.

SOURCE: EI:015
SOURCE: ELAP 7—Stop the Madness (Conflict Resolution in Business)

46. A
Work team. A work team is a group of employees which is responsible for carrying out an entire work process. This might include all the steps in producing a product, performing a service, or running a section of the business. A quality circle is a problem-solving group of coworkers who are given work situations or problems to study and discuss in order to recommend solutions to management. A project team is a team of employees from different parts of the company who are assigned to work together on a specific project. A short-term committee has an immediate goal, such as obtaining speakers for a conference.

SOURCE: EI:045

47. B
Responsibility. Fulfilling one’s obligations in a dependable, reliable manner is known as responsibility, and it is an important leadership characteristic. When a leader is responsible, s/he takes ownership of problems, makes sure they are fixed, and takes steps to prevent them from happening again. Flexibility, also called adaptability, is the ability to adapt to changes as they occur. Social awareness is the ability to know and understand others’ emotions; it is part of emotional intelligence.

SOURCE: EI:009
SOURCE: ELAP 16—Lead the Way (Concept of Leadership)

48. A
Developing an action plan for each goal. By planning ahead for how he will overcome potential obstacles, Trey is developing an action plan for his goal. This will make it easier to face roadblocks if and when they pop up. In this scenario, Trey is not putting his goals in writing, reviewing and revising his goals, or making sure they are compatible with each other.

SOURCE: EI:027
SOURCE: ELAP 10—High Hopes (Developing an Achievement Orientation)

49. A
Initiating a meeting about updating your employee break room. Initiating a meeting about a needed change at work is leading change. The change is happening because of you. Learning that you've received a promotion, losing a customer to a competing firm, and getting a new coworker from another department are all changes, but they are changes that are happening to you instead of changes that you've initiated.

SOURCE: EI:005
SOURCE: ELAP 22—Start the Revolution (Leading Change)

50. A
Form and conduct relationships. When you study human relations, you examine the ways that people form and conduct relationships with one another. Relationships between people are often very complex and can be either effective or ineffective. They are affected by people's personal styles, their opinions, and their communication skills.

SOURCE: EI:037
51. B
Credit. Credit is the arrangement in which businesses and individuals can purchase now and pay later. One option businesses have to obtain credit is to secure credit cards from lending institutions. Businesses can obtain the goods and services they need right away, such as airline tickets and supplies, and then pay for the items when they receive their statement from their lending institutions. Businesses often purchase the things they need to operate effectively online. In fact, many web-based businesses will only accept credit cards as a form of payment. Debit cards, ATM cards, and store-value (gift) cards do not delay payment.
SOURCE: FI:058

52. D
Dividends. Individuals and businesses acquire income in many ways. Dividends are earnings that are paid to investors or stockholders for their investments. When Pedro purchased shares of Tabor stock, he became an owner of the company. As an owner of the company, Pedro has the opportunity to earn a percentage of the company's profits, which are paid to him in the form of dividends. Wages are the income that workers earn for the work that they perform. Interest is the reward or cost of lending or borrowing money, usually figured as a percentage of the amount borrowed. An inheritance is the assets (e.g., property, goods, money) that a person leaves to others upon his/her death.
SOURCE: FI:061

53. A
Convenience. Credit allows businesses and consumers to pay for several different purchases at one time with a single payment. It reduces the need to carry cash and provides the convenience of ordering by telephone. Collateral is anything of value belonging to the borrower which is pledged to the lender to guarantee that the loan will be repaid. Interest is the fee which lenders charge borrowers for the use of credit. Credit does not provide reassurance or comfort.
SOURCE: FI:002

54. A
Own the item. When an item is purchased, money is exchanged for the right to own the item. Using credit may be part of the purchase process. Filing a claim may occur later if the buyer's (or seller's) rights were not upheld. Paying for the item is the process of exchanging money during a purchase.
SOURCE: FI:063

55. A
Written down. People who have written goals accomplish 50 to 100 times more than people who do not. You are not more likely to achieve goals that are based on needs only or that are long- or short-term.
SOURCE: FI:065
SOURCE: QS LAP 31—Set Yourself Up

56. B
Car payment. Developing a personal budget helps individuals manage their income and expenses. An important consideration in budgeting involves identifying fixed expenses, which are the expenses (cash outflows) that do not fluctuate or change from month to month. Car payments, insurance, and rent are examples of fixed expenses. Groceries, home repairs, and clothing are variable expenses, or expenses that may fluctuate slightly from month to month.
SOURCE: FI:066
57. B
Gross pay. Gross pay is the total income earned for the pay period before income taxes and other deductions are subtracted from the wages. Net pay is the amount of money that the worker receives after the taxes and other deductions have been subtracted from his/her wages. Tax-exempt income includes revenues that are not taxed, such as tax refunds, veteran's benefits, and welfare benefits. Overtime income is the amount of money that an hourly worker earns for working more hours than s/he is normally scheduled to work.

SOURCE: FI:068

58. D
As soon as each check is written. To keep accurate records, you need to record all information in the check register as each transaction occurs. Otherwise, the date, check number, or check amount may be recorded inaccurately. Waiting to record check information can result in difficulties with balancing bank statements when they arrive. This could also result in checks being returned to you for inadequate funds.

SOURCE: FI:069

59. A
Annual percentage rate. The annual percentage rate (APR) is the interest paid on the portion of the bill Sheila does not pay each month. An annual fee is a once-a-year payment made to the credit card company that permits the person to use the company's credit card. A late fee is issued when a person does not submit any payment at all by the monthly due date. An overdraft fee is charged by a bank when a customer writes a check for more money than is in his/her checking account.

SOURCE: FI:071

60. A
Use secure web browsers when purchasing online. Identity theft occurs when an individual obtains and uses another person's information (e.g., credit cards) without that person's consent. To reduce the risk of identity theft, people should use secure web browsers to make purchases. Because Internet sales transactions often require a person to provide credit card information, it is important to make sure that the web browsers are secure. Using secure websites reduces the risk of computer hackers obtaining confidential information for fraudulent purposes. Another way to reduce the risk of identity theft is to memorize passwords. If a personal planner is stolen, the risk of identity theft goes because the passwords are written down. Also, people should not share bank account numbers with others. When more people know an individual's banking information, the risk of identity theft increases. Everyday cash transactions do not require a purchaser to provide personal information and, therefore, do not pose a high risk for identity theft.

SOURCE: FI:073

61. C
Tax deductions. Tax deductions are expenses that can be subtracted from gross income. For example, charitable donations can be claimed as tax deductions on an individual's personal tax return. The tax filer may need to provide a receipt for donations that exceed a certain amount of money. Other examples of tax deductible expenses include college tuition, home-mortgage interest, and child care. Charitable donations are not claimed on tax returns as public property, living expenses, or discretionary income.

SOURCE: FI:074
62. C
Bonds. A lending investment is one in which a lender allows a borrower to use his/her money during a period of time for a specified fee or rate of interest. A bond is a type of lending investment in which individuals lend money to a government, municipality, or corporation to earn a set rate of interest for a specified time period. Homes, antiques, and stocks are ownership investments.
SOURCE: FI:077

63. B
Anyone who needs to use it. Financial information is not useful unless it is understandable by anyone who needs to use it. This might include more than just accountants and managers. Not everyone who needs to use financial information will have a background in finance. Financial information may not be understandable to every single person, but that doesn't mean it isn't useful—it just has to be understood by the people who need to use it.
SOURCE: FI:579
SOURCE: FI LAP 9—By the Numbers (The Need for Financial Information)

64. A
Tracking financial transactions. Accounting is the process of keeping and interpreting financial records. The financial records include a variety of data, such as monies received from sales transactions and monies paid to others (e.g., vendors) to cover expenses. Advertising activities are elements of the business's promotional function. Warehousing refers to the storage of goods for use by the business or for resale. Employees use production equipment to make a good or to facilitate a service the business sells.
SOURCE: FI:085
SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)

65. A
Presents financial information in a consistent format. Accounting standards (e.g., generally accepted accounting principles) are rules that accountants use to prepare and summarize financial reports. Because accountants use the same standards and rules, accounting information is consistent and clear to all of the people who read, interpret, and work with financial information. Summarizing data in different ways and identifying inconsistent business procedures are not advantages of using accounting standards. To be in compliance, businesses must fully disclose important financial data.
SOURCE: FI:086

66. A
False; in companies without HR departments, other managers and supervisors participate in HR management activities. Human resources management is a function of business, as well as a department. In other words, bigger companies may have a great number of employees dedicated solely to managing human resources, but in small businesses without an official "HR department," this important function still remains. And, even in big companies, human resources management is not contained solely within the HR department—supervisors and managers across the organization also take some part in managing human resources, although their level of involvement varies from business to business. Smaller companies need HR management as much as bigger ones, and HR managers aren't the only ones who can complete these activities. Not all employees will participate in HR activities, however.
SOURCE: HR:410
SOURCE: HR LAP 35—People Pusher (Nature of Human Resources Management)
67. A
Promotion. The example illustrates an advertising activity that is part of the promotion function. Purchasing is a business activity necessary to obtain goods and services for use in the operation of a business. Selling is responding to customer needs and wants through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Product/Service management is the marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities.
SOURCE: MK:002
SOURCE: MK LAP 1—Work the Big Six (Marketing Functions)

68. D
An article written by a Harvard economics professor that was published in a business magazine last month. When evaluating the quality of online information, it is important to consider factors such as the source type, the author's expertise, and the publication date. The Harvard professor has extensive knowledge about the topic of economics. The article was published last month, so it likely reflects current events and is up to date. A college student and a 16-year-old entrepreneur do not have the level of expertise that the professor has. The 2009 report and a 2005 textbook are not as up to date as an article written last month.
SOURCE: NF:079

69. D
Updated. Obsolescence occurs when something is outdated. Technology is always evolving, so computer systems and applications are always subject to obsolescence. Businesses must update the ways in which they store or archive their information because the format may not be usable in the future. For example, modern computers do not have outlets that read floppy disks, which were popular external storage devices several years ago. The way people summarize or process information is not related to the state of obsolescence.
SOURCE: NF:081

70. C
It may be one part of a business's overall information management program. A management information system (MIS) is a form of technology that assists with a business's information management needs. It is not the same thing as an information management program; however, it may be one part of an overall information management program. An MIS is just hardware and software, but an overall information management program involves people, processes, and practices.
SOURCE: NF:110
SOURCE: NF LAP 3—In the Know (Nature of Information Management)

71. B
It permanently stores the computer program files and data. The hard drive is the component of the computer's central processing unit (CPU) that stores the computer's program files and inputted data. A sound card is a device that transmits sound waves through the computer so the user can hear audio elements. A computer monitor allows the user to view the computer data. The power supply transmits power to other computer devices (e.g., printer) so they can operate.
SOURCE: NF:084
72. D
Windows. Microsoft Windows is one of the most popular operating systems. The operating system manages the hardware and software and makes the computer work. The system connects the software to the hardware and controls the overall operation of the computer. Excel, Oracle, and Adobe are software programs rather than operating systems.

SOURCE: NF:085

73. D
Email inquiry field. Many businesses provide a feedback option on their websites that enables customers to email the business concerning problems or to ask questions. The email inquiry field is an effective method of providing customer service as long as the business responds in an appropriate amount of time. A portable document format allows users to view files created by another operating system. An electronic file attachment allows a user to send an attachment with an email message. Computer programming code is used to create software, web pages, etc.

SOURCE: NF:004

74. A
Track their appointments. Cellular telephones are available with many options. Many cell phones have calendar and scheduling applications that allow users to set and track their tasks and appointments. Cell phones may also include Internet access to check email, text-messaging functions to send text messages to clients, and global positioning systems (GPS), which are navigational tools that help users to obtain driving directions.

SOURCE: NF:005

75. A
Font. The format bar or ribbon sits above the document. It provides a set of buttons that enables users to change or format different aspects of the document. The font buttons in the format bar include the an option that enables users to change the size of text. Other buttons in the font format bar enable users to bold or italicize text or change the typeface or color of the text. The paragraph, replace, and view buttons do not enable users to change the size of the text.

SOURCE: NF:007

76. D
Database. Database software allows companies to collect, store, and organize customer information. This information can be used to maintain, analyze, and combine customer information and to send postcards to specific customers. Word-processing, spreadsheet, and desktop publishing software do not perform the functions required by the dealer.

SOURCE: NF:009

77. B
Integrated. Integrated software applications consist of two or more related computer programs that work together to record information or perform specific business tasks or functions. An example of integrated software is Microsoft Office—it consists of several related programs, such as word-processing (Word), spreadsheet (Excel), presentation (PowerPoint), and database (Access). Trajectory software is used to measure velocity, wind drift, momentum, etc.

SOURCE: NF:088
78. C
Allow employees to have access to the same information. Employees often work together to complete projects, and many of these employees work in different locations. Groupware computer software allows employees to share and access the same information from a variety of locations. The ability to access the same information allows each employee to have the necessary data to complete his/her portion of the project in a timely manner. By completing projects in a timely manner, businesses are in a better position to satisfy clients/customers and earn profits, which might increase their market share. Some businesses use groupware computer software to exchange information with their customers, but this depends on the type of business and the relationship with the customer. Groupware computer software can be used in many ways, including training, but the primary purpose is to make information available to the people who need it.

SOURCE: NF:011

79. A
Web host, domain name. After creating a web page, the developer needs to post the web page through a web host (web server) or Internet service provider (IPS). The web host may charge a fee to post and store the web page, although some web hosts will provide the service free of charge. The domain name is the business's web address. Internet users enter the web address to view Stella's website. Stella can register her domain name directly with the Internet Corporation for Assigned Names and Numbers (ICANN). Or, Stella can work with her web host to register the domain name for her. Stella does not need to register a hyperlink, media permit, or file link with any organization. A hyperlink (link) is the component of an electronic document (file) that can be clicked on in order to jump to another place within the document or into a different document. A modem is an internal or external computer communications device that is used to transmit information over a particular medium such as telephone lines or television cables. Ethernet is a local area network.

SOURCE: NF:042

80. D
All other parts of the business. Operations managers must work closely with managers and employees in all other parts of the business. This is because operations activities affect every other business function, including marketing, finance, human resources, etc. Depending on the business, operations managers may or may not work with managers in foreign markets. Operations managers do not work with managers at competitive businesses.

SOURCE: OP:189
SOURCE: OP LAP 3—Smooth Operations (Nature of Operations)

81. B
To correct dangerous situations. It is important to report noncompliance with business health and safety regulations in order to force businesses to correct dangerous situations. Certain governmental agencies have developed health and safety regulations that businesses are expected to follow in order to provide employees with a safe work environment. If businesses or employees do not comply with these regulations, they should be reported so the necessary action can be taken to solve the problem and make the workplace safe for employees. The goal is to correct dangerous situations; however, businesses may be fined if they continue to ignore the regulations. During the process of investigating a report of noncompliance, it may be necessary to obtain business records. The primary purpose of reporting noncompliance is not to support whistleblowing policies. Whistleblowing policies and legislation is to protect employees from employer retribution for reporting noncompliance.

SOURCE: OP:005
82. D
They are exposed to different safety hazards. The types of safety hazards employees encounter depend upon where people work and the type of work that they do. The number of hazards each faces depends upon many factors, such as employees' observance of safety rules, management's attention to unsafe conditions, and the business's enforcement of safety regulations.
SOURCE: OP:007

83. C
Reporting noticeable hazards to management. One way to prevent hazardous conditions is to be aware of the things that create these types of situations. For example, if an employee notices that an electrical cord is frayed, s/he should notify the appropriate manager about the problem so the manager can take steps to have the electrical cord repaired or replaced. If the electrical cord is not repaired or replaced, someone could be shocked or a fire could start. All employees should perform their daily duties in a timely manner regardless of hazards that they may encounter. Employees should replenish supplies (e.g., paper in the copy machine) to be courteous of their coworkers. Toxic waste must be handled in specific ways; therefore, employees should report this problem to management so it can be removed safely.
SOURCE: OP:008

84. D
Computer. A competitor who is willing to commit fraud can benefit by stealing information from a business's files, such as ideas or designs for new products, promotional plans, and personal information about executives. Pilferage is theft of small sums of money or inexpensive items. Robbery is theft that involves the use of force, violence, or fear. Point-of-sale fraud attempts to cheat a business at the time of purchase.
SOURCE: OP:013

85. D
Set the security alarm, locks the doors. Businesses install locks and security alarms to protect their facilities from theft and burglary. Depending on the business's procedures, the last employee to leave for the day should set the security alarm and lock the door. In some situations, the security alarm can be set with a remote device after the employee leaves the building and locks the doors. Turning off the lights and adjusting the thermostat will not protect the building from unlawful entry. Turning on a surveillance camera may deter and identify thieves and burglars, but this will not prevent them from entering the building.
SOURCE: OP:152

86. C
Extension. A purchase order is the form that a business fills out to order goods and services. It is considered a contract between the buyer and seller. As a contract, the purchase order contains information, such as the buyer, seller, shipping address, types and quantities of items needed, prices, etc. The extension indicates the total cost of each quantity of products the buyer is purchasing. The extension amount is determined by multiplying the quantity purchased by the price per unit. For example, if a purchase order indicates that a buyer wants 12 of product X, which costs $18 each, then the extension price for Product X is $216. The product code is the vendor's identification number for the item. The amount due includes all extended prices, tax, and delivery charges.
SOURCE: OP:016
87. B
Estimating how long each step in production will take. Scheduling establishes the timetable to be followed in production. Employees responsible for scheduling look at the number of steps in the production process and estimate how long each step will take. Purchasing is the production activity that obtains the needed resources. Routing is the production activity that establishes the path inputs take from the time they are received by the business until they become outputs. Dispatching is issuing orders for production to start.
SOURCE: OP:017
SOURCE: OP LAP 4—Can You Make It? (Nature of Production)

88. D
After assessing the situation. The situation will dictate how a person will present him/herself to others. For example, a person attending a corporate board meeting might wear something different than someone who is attending a rock concert. Once the situation has been assessed, the individual can determine what to wear for the occasion. Showering and brushing teeth are practices of proper hygiene. Some hygiene practices (e.g., showering), must be completed before dressing. A final check consists of activities to make sure that personal appearance is in place. This is done after the person puts on the clothing.
SOURCE: PD:002
SOURCE: PD LAP 5—Brand ME! (Personal Appearance)

89. B
Classifying. There are many ways to classify your activities. One way to classify or group activities would be on the basis of frequency. Identifying activities involves listing them, prioritizing identifies the order in which they should be done, and scheduling establishes a time plan for carrying out the activities.
SOURCE: PD:009

90. C
Finishing a six-week computer-software course. An objective is a goal, and a short-term goal is one that takes less than a year to achieve. A six-week course is only a small part of a year. Becoming president of a large corporation, becoming fluent in a foreign language, or paying off a twenty-five year mortgage are long-term goals.
SOURCE: PD:018
SOURCE: PD LAP 16—Go For the Goal (Goal Setting)

91. A
Gives you a true picture of yourself. Self-understanding involves identifying both your strengths and your weaknesses. When you recognize your strengths, it is easier to accept your weaknesses. This helps you to like and to accept yourself, which are essential to raising your level of self-esteem. You may develop personal interests or identify enjoyable social activities through self-understanding, but they may not affect your level of self-esteem. Comparing your skills with the skills of others is not part of self-understanding.
SOURCE: PD:013
92. B
Company policy manual. Policies are the general rules or expectations to be followed by company personnel. Often, businesses provide these rules in a publication, such as a manual. Issues such as absences, vacations, dress codes, and the personal use of email or other office equipment are often addressed in a written form. Although it is possible to obtain information about an employer's expectations from the company website, interoffice correspondence, and coworkers, these options are not always the most reliable or the most accurate. In addition, some companies do not have websites or do not use them to post workplace policies.

SOURCE: PD:020

93. C
Their personalities. Personality is an individual's distinctive qualities or traits and behavior. Each person has a unique personality that will have an effect on the type of occupation that will be of interest to him/her. For example, people who are outgoing and friendly will be interested in different careers than those that will interest people who prefer to work alone. Individuals should consider their personality when identifying possible occupations, rather than family history, parents' occupations, or friends' opinions.

SOURCE: PD:023

94. C
Talents and skills. Talents and skills are aptitudes that have an effect on the type of career that would be most suitable for an individual. When considering employment opportunities, individuals should consider their talents and skills because they are more likely to do well in careers that require their specific talents and skills. Also, they usually will enjoy a career that is compatible with their talents and skills. Finding the right job often satisfies wants and needs. Health and safety are not necessarily issues to consider because most jobs in business are safe and do not adversely affect an individual's health. Individuals usually do not consider their time and money when reviewing employment opportunities.

SOURCE: PD:025

95. D
Small-business owners generally are not interested in expanding their businesses. Entrepreneurs are individuals who expand their businesses in the form of products, personnel, and target markets. Entrepreneurs can, but do not usually, buy existing businesses or franchise rights. However, for franchise owners to be entrepreneurs, they must expand the business or create new businesses. Entrepreneurs are usually very involved in the daily management of their businesses in the early stages of the ventures. The U.S. Small Business Administration defines a small business as being one employing fewer than 500 people.

SOURCE: PD:066
SOURCE: PD LAP 4—Own Your Own (Career Opportunities in Entrepreneurship)
96. B
Avoid making any negative statements about the firm she left. In many cases, people leave jobs because they can no longer tolerate the workplace. They may want to get away from a disagreeable coworker, a domineering boss, or an unpleasant atmosphere. When these people apply for new jobs, they should not describe problems or be totally honest and open about their previous situations. They should not be dishonest, but they should give whatever positive reason applies to them. These might include the desire for added responsibility, the hope of career advancement, or the wish to broaden horizons. Refusing to discuss why you left a job would indicate that you were hiding something or had been fired for some reason.


97. D
After every employment interview, job applicants should send follow-up letters after every employment interview in order to thank the interviewer for considering them. Sending follow-up letters is a common courtesy to interviewers, but it also benefits the applicant. Even if the applicants are not hired at that time, they have created a favorable impression in the event that they apply for other positions with that business in the future. Applicants should always send follow-up letters, not only if they are interested in the job, sure they will get the job, or convinced they are qualified.


98. A
Targeted. Some jobs have certain requirements that applicants should respond to by preparing résumés that provide specific information about the applicant’s qualifications. For example, a person applying for a sales position might mention experience in the restaurant business if the job was related to selling supplies to restaurants. Writing the résumé to target specific types of jobs might give an applicant an advantage over someone who provided a general résumé. A chronological résumé lists an applicant’s education and experience in order according to date, beginning with the most recent. A functional résumé emphasizes major accomplishments according to importance rather than date. A generalized résumé contains broad, general information rather than specific information. Generalized, chronological, and functional résumés are frequently used résumé formats.


99. A
Martha Winters, Certified Public Accountant. Many professions require businesspeople to complete continuing education courses to maintain their certifications and licensures. Because certified public accountants work with financial data, they need to keep up with changes in regulations, including taxes. Security advisors, accounts-receivable supervisors, and product-acquisition (purchasing) managers need to keep up with changes in their fields; however, these positions do not usually require extensive knowledge about changes in tax regulations.

100. C
Lack training in management techniques. Businesses often promote workers to supervisory jobs as a reward for good performance. These new supervisors often need training to help them assume supervisory responsibilities. First-level supervisors usually are familiar with the work because they have done it themselves. Long-range planning involves planning for the entire company and is a responsibility of top management, not the first-level supervisor. Wanting to move up to mid-level management is not a problem but a legitimate career goal.
SOURCE: SM:001
SOURCE: SM LAP 3—Manage This! (Concept of Management)