THE BUSINESS MANAGEMENT + ADMINISTRATION CAREER CLUSTER EXAM IS USED FOR THE FOLLOWING EVENTS:

BUSINESS LAW AND ETHICS TEAM DECISION MAKING BLTDM

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

2. The importance of following legal procedure is to provide each party with
   A. specific duties.
   B. unique rights.
   C. due process.
   D. formal requests.

3. Which of the following is a reason that someone might want to settle a legal case:
   A. To avoid a judge’s approval
   B. To have a lengthy trial
   C. To damage someone’s reputation
   D. To avoid a costly trial

4. What is the first step of the litigation process?
   A. The defendant answers a complaint.
   B. The plaintiff answers a complaint.
   C. The plaintiff files a complaint.
   D. The defendant files a complaint.

5. Why might parties choose to use mediation to solve a dispute?
   A. To do less work
   B. To spend more money
   C. To avoid going to court
   D. To get a less personal result

6. Which of the following steps should be completed first when preparing a written communication:
   A. Organizing the information to be presented in the communication
   B. Determining the major purpose of the communication
   C. Editing the communication to make sure it is clear
   D. Selecting the details that should be included in the communication

7. In oral presentations, a closing method used specifically for getting the audience to do something is
   A. making an appeal for action.
   B. making a comparison.
   C. using humor.
   D. using a quotation.
8. Which note-taking method involves creating two columns on a piece of paper, one for the main ideas and one for the details?
   A. Outlining
   B. Cornell method
   C. Charting
   D. Mapping

9. Edith wants to organize the information in her persuasive paper in a clear, logical way that's easy for readers to understand. She starts by stating the dilemma at hand and then explains the answer that she believes will solve the dilemma. Which method of organizing information is Edith using?
   A. Deductive
   B. Chronological
   C. Problem/Solution
   D. Alphabetical

10. Rosa is writing a business letter to Alex Smith, whom she has never met. Which of the following salutations should Rosa use:
    A. To Whom It May Concern:
    B. Dear Mr. Smith:
    C. Dear Alex:
    D. Dear Alex Smith:

11. One goal of analytical reports is to
    A. report progress.
    B. assess opportunities.
    C. criticize decisions.
    D. request funding.

12. In which component of a research report should the writer place the following statement: "Based on our findings, we believe that it is imperative that PNJ Corporation make the necessary adjustments."
    A. Assumptions
    B. Recommendations
    C. Methodology
    D. Analyses

13. How should an employee handle a situation in which a disagreeable customer is making a loud complaint?
    A. Remain calm and try to identify the real problem
    B. Interrupt the customer and tell them to be quiet
    C. Ask the customer to come back when they are calmer
    D. Tell the customer they don't need to yell

14. Which of the following would be classified as a service complaint:
    A. Defective item
    B. Late delivery
    C. Empathetic behavior
    D. Wrong size
15. One of the ways that a business can increase its profits is by
   A. charging higher prices.
   B. increasing worker efficiency.
   C. hiring more workers.
   D. extending working hours.

16. Selling goods and locating potential customers are included in which of the following categories of business activities:
   A. Financial analysis
   B. Operations management
   C. Marketing
   D. Strategic management

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

18. In 2019, a pair of running shoes cost $55. In 2020, that same pair of running shoes cost $65. Assuming that nothing else changed except the price of the shoes, this example most likely demonstrates
   A. trend shifts.
   B. advertising power.
   C. deflation.
   D. inflation.

19. An internal factor that affects the business environment is
   A. exchange rates.
   B. economic expansion.
   C. job reorganization.
   D. competition.

20. Which of the following is an example of increased financial risk for a company with poor business ethics:
   A. Increased productivity
   B. Decreased company value
   C. Decreased labor costs
   D. Increased sales

21. What is the first thing you need to do when you want to persuade others to take a certain course of action?
   A. Understand your audience
   B. State your case
   C. Communicate clearly
   D. Express a need or want
22. Anna and Alex work at the local movie theater. Anna is always complaining about the working conditions at the theater, the long hours, and about most of the people that they have to work with. Although Alex does not approve of Anna's ongoing complaints and wants to tell Anna to quit, he does not. He lets her talk while he concentrates on his duties. Which of the following traits is Alex demonstrating:
   A. Interest and enthusiasm
   B. Assertiveness
   C. Self-control
   D. Adaptability

23. Which of the following coaching characteristics means that you are willing to admit your mistakes:
   A. Patience
   B. Dependability
   C. Humility
   D. Approachability

24. Many people enjoy being given responsibility because it
   A. makes them feel valuable and respected.
   B. guarantees that they'll get a promotion.
   C. allows them to do less work than before.
   D. ensures that they will never lose their job.

25. Which of the following is an example of a personal vision:
   A. I will learn how to effectively manage my personal finances.
   B. I will earn an associate degree in business administration.
   C. I will complete my first 5K race in under 30 minutes.
   D. I will share my love of food with others by being a chef.

26. Evaluating the magnitude of a risk can be done by considering its
   A. chance.
   B. severity.
   C. probability.
   D. possible threat.

27. Simon is a chef, and he has just gotten a special request to make a dish that he's never made before. However, Simon thinks about similar dishes he has made and uses that knowledge to guide him. This is an example of
   A. listening to gut instincts.
   B. shifting to other perspectives.
   C. learning from the past.
   D. asking questions.

28. Taking online quizzes and/or looking at a comprehensive list of values can help you
   A. find gaps between values and behavior.
   B. determine what your values are.
   C. match behaviors with values.
   D. find ways to critique others' values.
29. A team leader can demonstrate collaboration skills by
   A. exerting their authority.
   B. completing tasks independently.
   C. sharing knowledge and resources.
   D. insisting their ideas be followed.

30. Entrepreneurs who act ethically are less likely to
   A. make a profit long term.
   B. preserve the environment.
   C. enjoy support from suppliers.
   D. harm their customers.

31. Choosing to buy an item at the checkout counter is often an example of
   A. smart shopping.
   B. impulsive spending.
   C. financial self-control.
   D. poor use of credit.

32. Rebecca recently terminated her relationship with a financial-services provider. The financial planner misled Rebecca about her financial status so that she would continue to pay for their services. This example demonstrates the importance of selecting a financial-services provider who is
   A. open-minded.
   B. competent.
   C. diligent.
   D. objective.

33. What type of investment involves several people pooling their money to purchase stocks and bonds?
   A. Elective
   B. Secure
   C. Mutual funds
   D. Money market accounts

34. What type of insurance provides financial support to loved ones in the event of your death?
   A. Renter's insurance
   B. Disability insurance
   C. Health insurance
   D. Life insurance

35. Which of the following is an example of a finance professional demonstrating transparency:
   A. Evan regularly attends professional development seminars.
   B. Jess makes sure to complete all of her work on time.
   C. Carmen keeps financial information private.
   D. Darren speaks up when he sees errors in a financial model.
36. Which of the following is subtracted from operating cash flow to find free cash flow:
   A. Acquisitions
   B. Capital expenditures
   C. Earnings
   D. Dividends

37. When filling out a check, which of the following is written in the “pay to the order of” area:
   A. Name of person or business receiving the funds
   B. The total check amount spelled out in words
   C. Name of bank institution holding the funds
   D. Name of bank institution cashing the check

38. Which of the following business trends affects HR management:
   A. Costs of business going down
   B. Globalization
   C. No restructuring
   D. Lack of new technology

39. When an employee is an expert in a certain job position, it can be important for others in the organization to access their knowledge through a knowledge management system. This influencing factor is known as
   A. innovation.
   B. turnover.
   C. specialization.
   D. globalization.

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

41. While performing her job, Kendra figured out how to solve a problem that has been affecting her department. Which of the following is the most efficient way for Kendra to share this knowledge with her coworkers:
   A. Email
   B. Company website
   C. Relational database
   D. Phone call

42. Which of the following is an action that threatens a company’s ability to maintain its trade secrets:
   A. Copyright reform initiatives
   B. Reverse engineering
   C. Process fragmentation
   D. Systematic neutralizing
43. As Jackie watches Cameron perform each step of a work activity, she takes detailed notes about what she observes. This is an example of an employee obtaining knowledge through
   A. participation.
   B. laddering techniques.
   C. task analysis.
   D. learning histories.

44. After knowledge has been captured and organized, it should be
   A. deleted.
   B. guarded.
   C. shared.
   D. sold.

45. What is the link that connects producers and consumers so that both benefit?
   A. Marketing
   B. Handling
   C. Shipping
   D. Purchasing

46. Maintaining comprehensive records about its customers' purchasing habits helps a company
   A. plan future business activities.
   B. increase brand loyalty.
   C. obtain favorable credit ratings.
   D. negotiate with competitors.

47. One reason an existing business might develop a company website is to
   A. create a new revenue source.
   B. increase its product mix.
   C. reduce marketing expenses.
   D. lower tax rates.

48. What is one way that the trend toward protecting the environment has a negative effect on many businesses?
   A. Reduces pollution
   B. Promotes growth
   C. Decreases prices
   D. Increases costs

49. Todd needs to develop an overall plan for his business but does not know what type of information to include in the document. Todd logs onto a search engine to quickly locate the information he needs. Which of the following search terms is most likely to provide Todd with desired search results:
   A. Develop planning document
   B. Plan components
   C. Business plan elements
   D. Business document components
50. Why is it important for businesses to store information for future use?
   A. To establish quality control
   B. To make it accessible
   C. To maintain data accuracy
   D. To ensure confidentiality

51. Which of the following is most likely to be a function of project management software:
   A. Creating visuals
   B. Scheduling
   C. Financial calculations
   D. Storing client information

52. Daniela is in charge of moving company data into a new software system. Which of the following is a step she should take:
   A. Avoid telling employees about the change until it is completed
   B. Make sure all the data are saved in a backup location
   C. Delete the old software system before installing the new one
   D. Schedule the change to occur during a project deadline

53. Which of the following actions is most likely to contribute to the creation of a safe business environment:
   A. Keeping file drawers in high traffic areas open throughout the day
   B. Running extension cords across main walkways in the business
   C. Storing inventory in stairwells and in front of emergency exits
   D. Salting icy patches on the sidewalk outside the business entrance

54. Henry works in a business's receiving room. While working, Henry was lifting and setting down heavy boxes when he experienced back and abdominal pain. What type of workplace injury did Henry receive?
   A. Closed wound
   B. Strain
   C. Open wound
   D. Sprain

55. What type of security problem does a business have if its employees routinely take pens and paper home for personal use?
   A. Robbery
   B. Shoplifting
   C. Pilferage
   D. Burglary

56. David is meeting with a group of his employees to discuss what types of goods and services they need to successfully perform their jobs. This is often the first step in the __________ process.
   A. marketing
   B. receiving
   C. buying
   D. selling
57. Which of the following is a characteristic of mass production:
   A. It produces one-of-a-kind items.
   B. It often uses assembly lines.
   C. It is primarily used for small quantities.
   D. It is considered inefficient.

58. Which of the following is a tactic for protecting trade secrets, proprietary information, and sensitive data while also maintaining open lines of communication with a supplier:
   A. Testing supplier trustworthiness by providing provocative false information
   B. Insisting that the supplier share all of its information first
   C. Asking the supplier to sign nondisclosure agreements
   D. Gathering damaging information on the supplier as leverage

59. Because the Frederick Company has space limitations in its warehouse, it needs to have a shelving unit custom-made. What type of order is the Frederick Company likely to place with the shelving manufacturer?
   A. Open
   B. Special
   C. Reorder
   D. Blanket

60. Which of the following must occur for supply chain management to be successful:
   A. Goods and communication should flow both ways.
   B. Few people should be involved in operations.
   C. Producers should be in contact with final customers.
   D. Emphasis should be placed on internal activities.

61. What is Claire doing when she reviews a report that compares the purchase transactions of the company's four largest customers?
   A. Analyzing service performance
   B. Preparing a purchasing forecast
   C. Conducting a sales analysis
   D. Organizing an inventory report

62. Which of the following are examples of raw materials that a business might keep on hand for production:
   A. Oil, grain, shoes, and household cleanser
   B. Leather, bolts, stapler, and ore
   C. Minerals, tables, leather, and paper
   D. Grain, minerals, leather, and oil

63. Which of the following is a non-price issue that a business might negotiate with a vendor when purchasing expensive, complex equipment:
   A. Post-sale service
   B. Compensation
   C. Volume reductions
   D. Payment terms
64. When the TCC Corporation constructed a large warehouse on its property, it had to ensure that the warehouse met certain structural standards. In this situation, the corporation had to ensure that the warehouse was in compliance with
   A. building codes.
   B. environmental regulations.
   C. health ordinances.
   D. residential zoning laws.

65. Developing a business process typically results in a(n)
   A. business process map.
   B. third-party audit.
   C. shareholder presentation.
   D. organizational chart.

66. The Shumaker Company recently altered its production process by adopting a new technology that can make finished goods three times faster than the old system. In other words, the company changed a business process to
   A. reduce company debt.
   B. improve performance.
   C. increase company spending.
   D. decrease employee wages.

67. Which of the following is a true statement regarding the relationship between a business's supply chain management and its performance:
   A. Good supply chain management leads to unsustainable business practices.
   B. Good supply chain management leads to decreased value for the customer.
   C. Poor supply chain management can result in customer dissatisfaction.
   D. Poor supply chain management can result in customer satisfaction.

68. Radio-frequency identification (RFID) technology is becoming more popular than barcodes in supply chain management because it does not require a direct line of sight, can be read at greater distances, and
   A. has no chance of privacy problems.
   B. can be read much faster.
   C. is less expensive.
   D. does not have reader collision concerns.

69. Before a bar of soap is bought by a customer, it goes through a long production process. First, the raw materials are shipped to a manufacturer that blends the soap and molds it into bars. Then, the bars are sent to a packaging plant to be put into boxes and printed with labels. Finally, the bars are shipped to distributors throughout the country where they are sold to customers. The relationship among the raw materials distributor, the soap manufacturer, the packaging plant, and the stores where the soap is sold can be described as a
   A. route of production.
   B. distribution network.
   C. supply chain network.
   D. manufacturing route.
70. An American clothing company manufactures most of its apparel overseas in an effort to cut costs. The company was faced with international backlash and declining sales when one of its factories was found to be in violation of numerous workplace safety laws. This is an example of which of the following global supply chain issues:
   A. Language barriers
   B. Time zone differences
   C. Delivery and shipping delays
   D. Accountability and compliance

71. How can a company hold employees accountable for protecting digital assets?
   A. Encryption software
   B. Project management software
   C. Background checks
   D. An effective laptop security policy

72. Tanner is sending out an online customer satisfaction survey. What technique can he use to ensure he is protecting customer data?
   A. House the data on portable drives
   B. Only ask for the information he needs the most
   C. Store the data for any future use
   D. Refrain from sharing the nature of the survey

73. Where can you find information about the work, schedule, and resources for a project?
   A. A marketing plan
   B. A code of conduct
   C. A project plan
   D. A mission statement

74. Which of the following actions would most likely be taken by an organized employee:
   A. Asking coworkers to complete work for them
   B. Getting easily distracted
   C. Planning work ahead of time
   D. Thriving on tight deadlines

75. Creativity can be helpful when handling customers'?
   A. charge accounts.
   B. inquiries.
   C. credit applications.
   D. objections.

76. Professional selling belongs in what career area?
   A. Business management
   B. Marketing
   C. Finance
   D. Sports
77. A job applicant who writes to a business that is advertising positions available may include in the letter an offer to call the business at a certain time to
   A. discuss salary and benefits.
   B. provide personal information.
   C. schedule an interview.
   D. ask questions about the company.

78. What type of goal is designed to prevent or control internal organizational behavior?
   A. Product
   B. Short-term
   C. Profit
   D. Order

79. "Business information management" is a term sometimes used to refer to
   A. supply chain management.
   B. business analytics.
   C. office management.
   D. human resources management.

80. Daniel is preparing to request approval for his project from senior management. What document does he need to develop and submit?
   A. Project charter
   B. Project management plan
   C. Business case
   D. Project statement of work

81. What is a primary advantage of developing a work breakdown structure (WBS) to manage large projects?
   A. Eliminates unexpected circumstances
   B. Reduces the need to set project milestones
   C. Decreases the need to manage each task
   D. Prevents the duplication of work

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

83. During the project-closure process group, which of the following should project teams do:
   A. Approve deliverables and sign all project documents
   B. Create issue logs for problems encountered during the project
   C. Celebrate their successful project completion together
   D. Develop a work breakdown structure to show all work completed
84. What is the purpose of key performance indicators (KPIs)?
   A. To change the project plan  
   B. To eliminate risk  
   C. To communicate the project plan to stakeholders  
   D. To measure project progress

85. Kevin is planning to paint a house. He draws a simple graph that shows the sequence of tasks that will be done from beginning to end of the project. For example: 1) Buy supplies, 2) Prepare house for painting, 3) Paint house, and so on. This is an example of a
   A. network diagram.  
   B. work breakdown structure.  
   C. project charter.  
   D. scope management plan.

86. Quality management is a
   A. philosophy.  
   B. technique.  
   C. six-step process.  
   D. tool.

87. Which of the following quality management frameworks uses martial arts terminology to identify individuals necessary for its implementation:
   A. ITIL  
   B. Six Sigma  
   C. CMMI  
   D. Quality Max

88. A manufacturing company reviews its production processes on a regular basis to detect inconsistencies. What is the manufacturing company doing to improve quality?
   A. Performing audits  
   B. Organizing activities  
   C. Setting goals  
   D. Scheduling tasks

89. Which of the following is a checks and balances system that often helps companies manage their business risks and monitor the integrity of their organizations:
   A. Executive commission  
   B. Retribution board  
   C. Ethics committee  
   D. Human resources council

90. What type of risk-management technology can track individual traders’ risk limits and notify management immediately if any trader exceeds their preset limit?
   A. Corporate governance  
   B. Automated oversight  
   C. Stress testing  
   D. Data aggregation
91. CopyIt Printing Company employs several delivery drivers. Last year, the local police cited two of the company's new drivers for causing accidents that resulted in passenger injuries and vehicular damage. The printing company later discovered that the drivers were cited for numerous traffic violations while employed for other companies. To avoid hiring unsafe drivers in the future, the company should
   A. ask job applicants about their former employers during the interview process.
   B. mandate drug testing for all employees on a monthly basis.
   C. conduct background checks on job applicants.
   D. require delivery drivers to take a driving exam every six months.

92. A plant manager or a department head would be an example of which level of management?
   A. Middle
   B. Operating
   C. Supervisory
   D. Top

93. One of the functions of managerial control involves comparing the results of various business activities with the
   A. hiring procedures.
   B. established goals.
   C. purchasing methods.
   D. safety regulations.

94. Which of the following are characteristics of tactical planning:
   A. Short-range and specific
   B. Long-term and vague
   C. Long-term and specific
   D. Short-range and vague

95. An organization with a wide span of control usually
   A. has a lack of middle managers.
   B. uses a divisional organizational structure.
   C. does not give managers enough direct reports.
   D. gives little control to the CEO.

96. What management function involves activities such as determining that two new employees need to be hired?
   A. Organizing
   B. Planning
   C. Controlling
   D. Staffing

97. When a marketing manager goes on vacation, the marketing staff does not know what tasks to do and does not feel like it can work ahead on anything. This example illustrates that
   A. directing motivates employees.
   B. directors must build group dynamics.
   C. directing is a continuous process.
   D. directing is the starting point of action.
98. Tyrone, a new employee, had to attend daily training sessions for his first two weeks on the job. He learned a lot about the company and his new role, but he didn't retain much of it over time. This example demonstrates that
   A. learning doesn't always lead to knowledge.
   B. knowledge is fleeting and hard to hold onto.
   C. learning and knowledge are the same thing.
   D. training sessions are useless for most employees.

99. Change management strategies often fail because
   A. low-level employees are given too much responsibility.
   B. employees dedicate too much time to the change process.
   C. competitors have implemented the changes already.
   D. they don't include everyone in the change process.

100. Which of the following occurs during the process of change management:
    A. Decision-making by top managers without staff input
    B. Top-down and bottom-up dialogue among all employees
    C. Dialogue among upper management employees only
    D. Dialogue among entry-level employees only
Business Management and Administration Cluster Exam

BLTDM – Business Law and Ethics Team Decision Making Event
HRM – Human Resources Management Series Event

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1. D

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 Explain types of business ownership
SOURCE: LAP-BL-003—Own It Your Way (Types of Business Ownership)

2. C

Due process. Due process is the concept that a jurisdiction's government must respect all of the legal rights that are owed to individuals and businesses according to the law of the land. Legal procedure refers to the methods that are used to protect an individual's or business's legal rights. Generally, these rights in a democratic society include the right to obtain legal counsel, the right to be heard in court, the right to confront the accuser, etc. The importance of following legal procedure is not to provide each party with unique rights, specific duties, or formal requests.

SOURCE: BL:070 Describe the nature of legal procedure

3. D

To avoid a costly trial. Many parties opt for settlements because they wish to avoid costly, lengthy trials. Trials can often damage a company's or person's reputation. Some parties settle because they wish to minimize damage to their reputations. A judge still must approve settlements.

SOURCE: BL:159 Describe factors affecting the settlement of legal matters

4. C

The plaintiff files a complaint. The litigation process begins when the plaintiff files a complaint with the court. Then, the defendant must answer within a certain time period. The defendant does not file the complaint.

SOURCE: BL:160 Describe the litigation process

5. C

To avoid going to court. Parties may choose mediation if they want to avoid taking their case to court. Mediation often costs less money and results in a more personalized result. Mediation often means doing more work to resolve the dispute.

SOURCE: BL:161 Discuss the arbitration/mediation process
6. B
Determining the major purpose of the communication. In order to write effective communications, the writer must first determine what specific purpose (or purposes) the communication should serve. The communication is then prepared to accomplish those specific goals. The writer determines what details should be included and edits the communication to make sure that it is clear.

SOURCE: CO:016 Explain the nature of effective written communications

7. A
Making an appeal for action. If a speaker is trying to get an audience to do something, challenging them with an appeal for action is a good closing. Using a quotation, using humor, or making a comparison are also closing methods, but they do not ask the audience to do anything.

SOURCE: CO:025 Make oral presentations

8. B
Cornell method. The Cornell method of note-taking involves creating two columns on a piece of paper, one for the main ideas and one for the details. The mapping method involves creating a graphic representation of information. The outlining method involves taking notes in a sequential and organized order. The charting method involves using headings and tables to record important notes.

SOURCE: CO:085 Utilize note-taking strategies

9. C
Problem/Solution. The problem/solution method of organizing information first states the problem and then explains the solution. Alphabetical order arranges facts in the order of the alphabet. Deductive order begins with the recommendation or conclusion and follows with facts or examples to support it. Chronological order organizes information into a sequence of dates.

SOURCE: CO:086 Organize information

10. D
Dear Alex Smith:. Since Rosa hasn't met the person she's writing the letter to, she doesn't know Alex Smith's gender. For this reason, it's important for her to use the full name. If Alex Smith is a woman, she might be offended if Rosa uses “Dear Mr. Smith.” “To Whom It May Concern” shouldn't ever be used. It's important to find out to whom to address the letter, even if it's just to a title, such as “Vice President.” In Rosa's case, she knows the name of the recipient, so she should use that. “Dear Alex” is too informal for a business letter. It may be appropriate for a friend, but Rosa has never met Alex Smith.

SOURCE: CO:133 Write business letters
11. B
Assess opportunities. One of the possible goals of analytical reports is to evaluate an opportunity, such as a potential new market or acquisition. Analytical reports are not meant to be critical of decisions, though they sometimes are used to support them. When reporting progress, an informative report is more appropriate than an analytical report. Requests for funding are generally called proposals.
SOURCE: CO:185 Write analytical reports (i.e., reports that examine a problem/issue and recommend an action)

12. B
Recommendations. The recommendations section is the last component of a research report and contains a proposed course of action (recommendation), which is based on the results or findings. The methodology section of the report outlines the research plan. It appears in the middle of the report and discusses the types of research tools used in the study and why they were selected. The analyses section of the report describes the findings based on the assumptions made and the methodology used to obtain the data.
SOURCE: CO:186 Write research reports

13. A
Remain calm and try to identify the real problem. Employees must try to remain calm and to be patient and understanding with disagreeable customers. Even though the person is behaving in an unacceptable manner, they may have a legitimate complaint that needs attention. Taking time to identify the problem is the first step in solving it. The employee should not interrupt the customer unless absolutely necessary. The employee also should not tell the customer to be quiet or to come back when they are calmer.
SOURCE: CR:009 Handle difficult customers
SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

14. B
Late delivery. The quality of service provided to customers can result in complaints. For example, customers will complain when deliveries are late. A defective item or incorrect size are product complaints. Empathetic behavior should result in customer satisfaction rather than in customer complaints.
SOURCE: CR:010 Handle customer/client complaints
SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)

15. B
Increasing worker efficiency. Efficiency is the ability to use minimum amounts of resources to the best advantage. Increasing worker efficiency results in greater production and a lower cost for each unit sold. This leads to more profit. Hiring more workers and extending working hours could reduce profits by causing higher unit costs. Higher prices might lower demand for the product and result in an even lower profit.
SOURCE: EC:010 Identify factors affecting a business's profit
SOURCE: LAP-EC-002—Risk Rewarded (Factors Affecting Profit)
16. C
Marketing. Marketing is a primary business activity that involves creating, communicating, and delivering value to customers and managing customer relationships in ways that benefit the organization and its stakeholders. Locating potential customers and selling goods are basic marketing activities. Strategic management, financial analysis, and operations management are not involved in selling goods and locating potential customers.

SOURCE: EC:071 Describe types of business activities
SOURCE: LAP-EC-071—Strictly Business (Business Activities)

17. D
Property. Property taxes are paid on land and buildings. Local governments use property taxes to finance community initiatives such as schools and parks. An excise tax is a special government tax on certain items (e.g., gasoline) that is included in the price that consumers pay. Income taxes are levied on income earned from a job or other sources. Inherited items are subject to estate taxes.

SOURCE: EC:072 Describe the nature of taxes
SOURCE: LAP-EC-072—Pay Your Share (Business Taxes)

18. D
Inflation. The main effect of inflation is reducing the purchasing power of the dollar. In other words, your money won't buy as much tomorrow as it will today. A pair of shoes rising in price over one year is an example of inflation—not shifting trends, deflation, or advertising power. If deflation was the case, the price of the shoes would have dropped. Shifting trends and advertising power may be factors in rising prices in certain cases, but this example clearly states that nothing changed except the price of the shoes.

SOURCE: EC:083 Describe the economic impact of inflation on business
SOURCE: LAP-EC-083—Up, Up, and Away (Inflation)

19. C
Job reorganization. An internal factor that affects the business environment is job reorganization, or the way the business accomplishes its work. By reorganizing the way the business accomplishes its work, the business may become more efficient, which can have a positive effect on its bottom line. Economic factors, such as the expansion and contraction changes that occur during the business cycle, as well as competition and exchange rates are external factors that affect the business environment.

SOURCE: EC:105 Describe factors that affect the business environment
SOURCE: LAP-EC-105—What's Shakin'?? (Factors Affecting the Business Environment)

20. B
Decreased company value. An increased financial risk for a company with poor business ethics is decreased company value. An unethical company loses sales, and its stock decreases in value. This causes a decrease in the overall company value. Unethical companies also suffer from decreased productivity. A company with poor business ethics does not necessarily have decreased labor costs.

SOURCE: EC:106 Explain the nature of business ethics
SOURCE: LAP-EC-106—On the Up and Up (Business Ethics)
21. A
Understand your audience. When you are persuading others, you are trying to get them to see things a certain way or to take a certain course of action. Before you can persuade people, you must first know what appeals to them. When you have a general idea about their likes, dislikes, opinions, and needs, you will be able to prepare a message that will appeal to them. After you understand your audience and know how to present your message in a way that will appeal to them, you can state your case using clear communication, which may include expressing a particular want or need.

SOURCE: EI:012 Persuade others
SOURCE: LAP-EI-912—Win Them Over (Persuading Others)

22. C
Self-control. By not saying anything to Anna and concentrating on his duties, Alex is demonstrating self-control. He is restraining his feelings, words, and actions toward Anna's complaining. Assertiveness is the ability to express yourself; communicate your point of view; and stand up for your rights, principles, and beliefs, while respecting authority and being tactful. Interest and enthusiasm is showing interest in those around you, in the goods/services that you market, and in your business in general. Adaptability is flexibility, the ability to adjust to changing conditions.

SOURCE: EI:018 Identify desirable personality traits important to business
SOURCE: LAP-EI-009—You've Got Personality (Personality Traits in Business)

23. C
Humility. Humility is a coaching characteristic that includes a willingness to admit your mistakes. A humble attitude earns respect and trust from people being coached. Dependability means being the type of person others can count on. Patience means that you don't get frustrated or give up on your coachee. Approachability means that you have the type of attitude and demeanor that lets people know you're always there to help.

SOURCE: EI:041 Coach others
SOURCE: LAP-EI-041—Bring Out the Best (Coaching Others)

24. A
Makes them feel valuable and respected. Many people enjoy being given responsibility because it makes them feel valuable and respected. When you give someone responsibility, it is like saying to them, “I know that you will do a good job on this task.” Being given responsibility does not allow people to do less work than before; it typically gives them more work than before. People who are given responsibility are not guaranteed a promotion, nor does being given responsibility ensure that they will never lose their job.

SOURCE: EI:059 Motivate team members
SOURCE: LAP-EI-059—Raise Them Up (Motivating Others)

25. D
I will share my love of food with others by being a chef. A personal vision is a mental picture of a person's ideal future—a broad, long-term statement that deals with an individual's hopes, ambitions, and core values. “I will share my love of food with others by being a chef” is a broad, non-specific statement of what the individual desires for their future. Completing a 5K race in under 30 minutes, earning an associate degree, and learning how to manage personal finances are all examples of goals, not personal visions. Goals are concrete, specific, and measurable end results that an individual plans to achieve.

SOURCE: EI:063 Determine personal vision
SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)
26. B
Severity. Magnitude refers to the severity or size of a risk. Chance, probability, and possible threat all refer to whether a risk will occur or not.

SOURCE: EI:091 Assess risks of personal decisions
SOURCE: LAP-EI-091—Worth the Risk (Assessing Risks of Personal Decisions)

27. C
Learning from the past. Simon is using his past experiences to help him make a prediction in an ambiguous situation. The similarities between his current situation and the past can help him tolerate ambiguity. Simon is not necessarily listening to his gut instincts, asking questions, or shifting to other perspectives.

SOURCE: EI:092 Develop tolerance for ambiguity
SOURCE: LAP-EI-092—Embrace the Unknown (Developing a Tolerance for Ambiguity)

28. B
Determine what your values are. If you are brainstorming to determine what your values are, you can look to an online quiz or comprehensive list of values to guide you or spark ideas. Online quizzes and lists of values cannot necessarily help you find ways to critique others’ values, match behaviors with values, or find gaps between values and behavior.

SOURCE: EI:126 Assess personal behavior and values
SOURCE: LAP-EI-126—Assess Yourself (Assessing Your Personal Behavior and Values)

29. C
Sharing knowledge and resources. Team leaders and team members both can demonstrate collaboration skills by sharing knowledge and resources. Completing tasks independently, insisting their ideas be followed, or exerting their authority do not demonstrate a willingness to work together or to share ideas and resources.

SOURCE: EI:130 Collaborate with others
SOURCE: LAP-EI-130—Genius Is a Team Sport (Collaborating With Others)

30. D
Harm their customers. An entrepreneur who acts ethically is less likely to cause harm to the environment or to their customers through negligence or oversight. Ethical entrepreneurs are more likely to preserve the environment and enjoy support from suppliers. They also have a good chance of making a profit long term since customers generally like to support businesses that act ethically.

SOURCE: EN:044 Describe the use of business ethics in entrepreneurship
SOURCE: LAP-EN-044—Ethical Excellence (Ethics in Entrepreneurship)

31. B
Impulsive spending. Choosing to buy an item at the checkout counter is a classic example of impulsive spending. Poor use of credit may or may not be involved. Choosing not to buy the item would illustrate financial control and would be a good example of smart shopping.

SOURCE: FI:065 Set financial goals
32. D  
Objective. Financial-services providers should be objective. They should have their clients' best interests in mind, and should not let their own needs interfere with the advice that they provide. In this example, Rebecca suffered because her financial advisor was not objective. Financial-services providers should also be competent, open to their clients' ideas, and diligent—but these are not demonstrated in this example.

SOURCE: FI:076 Discuss considerations in selecting a financial-services provider

33. C  
Mutual funds. Mutual funds are ownership investments in which a variety of stocks from different corporations or agencies (usually from different industries) are combined into one investment. Money market accounts are lending investments in which individuals lend a minimum amount of money to a bank to earn interest. Secure and elective are not types of investments.

SOURCE: FI:077 Explain types of investments
SOURCE: LAP-FI-077—Invest for Success (Types of Investments)

34. D  
Life insurance. Insurance is a contractual agreement in which one company (insurer) will pay for specified losses incurred by the other company (insured) in return for installment payments (premium). Many individuals purchase life insurance policies to ensure that their loved ones receive financial support in the event of death. Life insurance is a wise purchase for an individual whose loved ones (e.g., spouse, children, parents, etc.) would suffer financially without the deceased's income. Disability insurance provides financial support in the event that you cannot work due to an injury or illness. Health insurance helps cover the cost of medical expenses. Renter's insurance protects you from loss in the event that your personal property is damaged or lost while living in a rented apartment or house.

SOURCE: FI:081 Describe the concept of insurance

35. D  
Darren speaks up when he sees errors in a financial model. Transparency includes maintaining open and truthful communications. Darren is demonstrating transparency because he is being honest and open about errors in financial data, rather than hiding it or ignoring it. Completing work on time, attending professional development seminars, and keeping financial information private are not specifically related to transparency.

SOURCE: FI:355 Discuss the role of ethics in finance
SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

36. B  
Capital expenditures. Free cash flow is a measure of a company's performance. It is calculated by subtracting capital expenditures from operating cash flow. Capital expenditures include equipment, buildings, and other property. You do not need to subtract dividends, acquisitions, or earnings to find free cash flow.

SOURCE: FI:541 Interpret cash-flow statements
37. A

Name of person or business receiving the funds. The name of the person or business to be paid is listed in the "pay to the order of" area of a check, rather than the bank being used to cash it. The check amount is spelled out in words on the line below the "pay to the order of" area. The name of the bank institution holding the funds is already printed on the check.

SOURCE: FI:560 Prepare bank account documents (e.g., checks, deposit/withdrawal slips, endorsements, etc.)


38. B

Globalization. A growing trend toward globalization is one of many business trends that affects HR management activities. Costs of business are going up. Companies are often restructuring to save money. There is not a lack of new technology in the business world; new technology is constantly being developed.

SOURCE: HR:410 Discuss the nature of human resources management

SOURCE: LAP-HR-410—People Pusher (Nature of Human Resources Management)

39. C

Specialization. When an employee is an expert in a certain job position, it can be important for others in the organization to access their knowledge through a knowledge management system. This is known as specialization. Innovation refers to the creation of new products, processes, ideas, etc. Turnover refers to how many employees are leaving the company. Globalization refers to the rapid and unimpeded flow of ideas, capital, and labor across national borders.

SOURCE: KM:001 Explain the nature of knowledge management

SOURCE: LAP-KM-001—Know Go (The Nature of Knowledge Management)

40. A

Negative work culture. Tacit knowledge is expertise that is often difficult to explain or quantify. Businesses with positive work cultures tend to encourage openness and sharing, which builds trust among employees. When coworkers trust one another and feel valued by their employers, they are more likely to share their tacit knowledge with one another. Negative work environments tend to foster a distrustful environment, which often discourages employees from sharing their expertise. In these situations, employees are often fearful about losing their jobs and are more likely to keep helpful information to themselves. An unsatisfactory credit rating, uncooperative vendors, and poor customer service levels are not primary reasons why employees withhold tacit knowledge from coworkers.

SOURCE: KM:002 Discuss the role of ethics in knowledge management

SOURCE: LAP-KM-002—Know What's Right (Ethics in Knowledge Management)
41. A

Email. Knowledge management involves leveraging the expertise, insight, and information of internal and external resources to help an organization achieve its goals. The key to effective knowledge management is getting employees to share their “personal know-how” with managers and coworkers. Technology is often used to capture and share this knowledge. The best way for Kendra to share her discovery is by email. She can construct her message and send it to many people at one time. Kendra would probably not post this information on the company’s website, because this information is not meaningful to customers or website visitors. A relational database stores linked or related information. Calling each coworker is not as efficient as sending an email message.

SOURCE: KM:003 Explain the use of technology in knowledge management

42. B

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

SOURCE: KM:004 Explain legal considerations for knowledge management

43. C

Task analysis. Businesses use many techniques to capture employees’ knowledge. One technique involves observing an employee while they are performing their job and taking notes about each step in the process. The purpose of task analysis is to obtain a deeper understanding of the job task. Participation involves actually carrying out the steps in a process or job task to gain knowledge. Learning histories are similar to lessons learned summaries or debriefings. This involves reviewing important events that have occurred and documenting the successes and mistakes experienced during the event. The learning histories can help other managers gain insights when they encounter similar situations in the future. Organizations use the laddering technique to collect and organize knowledge in a hierarchical manner.

SOURCE: KM:005 Identify techniques that can be used to capture and transfer knowledge in an organization

44. C

Shared. One of the most important aspects of knowledge management is sharing the knowledge with the appropriate people so that it is useful. After knowledge has been captured and organized, it should be shared. Knowledge should not necessarily be guarded, deleted, or sold.

SOURCE: KM:018 Apply knowledge management processes
45. A
Marketing. Marketing is responsible for linking the production of goods, services, and ideas with the consumption of those items by consumers. It serves as the connecting link, or bridge, between producers and consumers so that both benefit. Handling and shipping are activities included in the distribution aspect of operations. They are only one part of the marketing process. Purchasing is a business activity that involves the planning and procedures necessary to obtain goods and services for use in the business.

SOURCE: MK:001 Explain marketing and its importance in a global economy
SOURCE: LAP-MK-901—Have It Your Way! (Nature of Marketing)

46. A
Plan future business activities. Customer records (e.g., invoices) help businesses determine what customers are buying, when they are buying, and how much they are buying. Analyzing past sales records (e.g., invoices) helps a business forecast future sales, which aids in planning other activities such as promotion. Businesses do not keep customer records so that they can negotiate with competitors. To obtain a favorable credit rating, a business must pay its bills when they are due. Maintaining records provides information about customers' purchasing habits, but the records themselves do not increase brand loyalty.

SOURCE: NF:002 Maintain customer records

47. A
Create a new revenue source. By selling its products from an additional location or source (the website), the business creates an opportunity to reach more customers, which might result in more sales. Developing a website does not necessarily reduce marketing expenses or lower taxes for the business. Product mix refers to the particular assortment of products that a business offers to meet the needs of its markets and its company goals.

SOURCE: NF:003 Identify ways that technology impacts business
SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)

48. D
Increases costs. Many businesses are spending large sums of money to repair the damage their operating techniques did to the environment. The trend toward protecting the environment is forcing many businesses to correct the problem and find ways of operating that will not be destructive. This trend is expensive for businesses that must now pay for past mistakes. Protecting the environment often involves reducing pollution. Promoting growth would be a positive effect. Many businesses increase prices to generate additional funds to use for developing ways of protecting the environment.

SOURCE: NF:013 Describe current business trends
49. C  
Business plan elements. To retrieve the most applicable results from an internet search engine, a computer user should enter terms into the query field that are most likely to bring up the desired information. "Business plan elements" are words that are most likely to retrieve the information Todd needs to include in his business plan. If Todd is not satisfied with the results that his initial search returns, he could use search terms such as "business plan components" or "business plan parts." The remaining search terms are too general and would likely not provide the information Todd desires on the first few pages of the results, which would reduce Todd's efficiency in retrieving the desired information.

SOURCE: NF:078 Obtain needed information efficiently

50. B  
To make it accessible. Businesses obtain a wide variety of information that often can be used for many purposes. Therefore, it is important to store the information for future use so it will be accessible when needed. For example, information about current customers might be used to develop procedures for attracting new customers in the future. If the information has not been stored so it is accessible, the business will need to obtain other types of information. Businesses do not need to store information to establish quality control. Storing information does not ensure that data is accurate, nor does it ensure that the information remains confidential.

SOURCE: NF:081 Store information for future use

51. B  
Scheduling. Project management software helps keep teams on track from the beginning of a project until the end. Project management software does not help complete financial calculations, store client information, or create visuals. These tasks are more likely to be completed by spreadsheet software, database software, and presentation software, respectively.

SOURCE: NF:130 Utilize project-management software

52. B  
Make sure all the data are saved in a backup location. It's important for Daniela to make sure all the company's data are saved in a backup location. If something goes wrong while she's moving the data into the new system, this will help her avoid losing all that information. She should tell employees about the change before it occurs. She should wait to delete the old system until after she installs the new one. This way, she'll be less likely to lose information if something goes wrong. The change should be scheduled to occur at a convenient time, not during a project deadline, so that it will not disrupt the office's work.

SOURCE: NF:264 Adhere to data change best practices
53. D

Salting icy patches on the sidewalk outside the business entrance. A significant number of workplace injuries are the result of slipping, tripping, and falling on unsafe walking and work surfaces (e.g., floors, stairs, sidewalks, loading docks, etc.). One way that businesses can reduce these accidents is by salting or sanding icy patches on their sidewalks, parking lots, loading docks, and outdoor wheelchair ramps during winter weather. Employees and customers are likely to trip or fall on extension cords that run across main walkways in the business, boxes of inventory stored in stairwells and in front of emergency exits, and protruding file drawers in high traffic areas.

SOURCE: OP:008 Maintain a safe work environment


54. B

Strain. While lifting the heavy boxes, Henry strained his back, which caused pain in his abdomen. A strain is an injury to muscles or tendons caused by stretching or tearing of the ligaments. Back and abdominal strains usually occur during the motions of lifting up and setting down heavy loads. Sprains are injuries caused by stretching or tearing ligaments at a joint in the body. Common types of sprains occur in ankles, fingers, wrists, and knees. Closed wounds are injuries in which the skin is not broken, but the tissue underneath is damaged. Open wounds are injuries involving a break in the skin. Open wounds include such injuries as scrapes, cuts, and punctures.

SOURCE: OP:009 Explain procedures for handling accidents


55. C

Pilferage. Pilferage is the theft of small sums of money or inexpensive items from a business. Employees who take office supplies home for personal use are guilty of pilferage. Although the dollar amount of each theft is small, the total can add up to a considerable loss for a business. Pilferage is a security problem because it can cause financial losses that threaten the security of the business. Burglary is any illegal entry into a building to commit a theft. Robbery is theft that involves the use of force, violence, or fear. Shoplifting is theft of goods by customers.

SOURCE: OP:013 Explain routine security precautions


56. C

Buying. The buying process is a series of sequential steps taken by industrial or retail buying personnel to purchase goods and services. Identifying an organizational need, such as what types of goods and services employees need to perform their jobs, is often the first step in the buying process. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives. The receiving process is all of the activities involved in accepting delivery of goods and preparing them for sale to customers. The selling process is a systematic approach to selling that consists of a sequence of selling phases intended to assist salespeople in achieving their goal of making a sale.

SOURCE: OP:015 Explain the nature and scope of purchasing

SOURCE: LAP-OP-015—Buy Right (Purchasing)
57. B

It often uses assembly lines. Mass production is the rapid production of large quantities of a product. To turn out large quantities efficiently, mass production often uses assembly lines in which the product moves past workers who each do one assigned production task. This is a very efficient production method, but it can only be used for standard products, not for unique items.

SOURCE: OP:017 Explain the concept of production
SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

58. C

Asking the supplier to sign nondisclosure agreements. The free flow of information between supplier and buyer is an important part of building lasting supplier relationships. Open information sharing can cut costs and assure that these relationships benefit both parties. Providing false information, trying to use information as leverage, or not trusting a supplier are not effective ways to build trust or create open lines of communication and lasting relationships.

SOURCE: OP:241 Maintain vendor/supplier relationships

59. B

Special. A special order is a request for a custom product or a product that a vendor does not normally carry in stock. Because the Frederick Company needs a shelving unit that has unusual measurements, the vendor needs to custom-make it for the company. An open order is an order for staple goods that is placed with one of several available vendors who can meet the business's immediate requirements (e.g., time, price, quantity). A blanket order is an order that covers all or part of a retailer's seasonal requirements. A reorder is an order for items that the business has previously purchased. There is not enough information provided to determine if the Frederick Company has previously ordered the same custom-made shelves.

SOURCE: OP:250 Describe types of purchase orders

60. A

Goods and communication should flow both ways. In a supply chain, goods and information should flow back and forth among all supply chain members, rather than merely going in one direction. Producers should not necessarily be in contact with the final consumer. Emphasis is placed more on internal activities in operations management, rather than in supply chain management. Finally, there is no set number of people that should be involved in operations; it depends on the nature of the company.

SOURCE: OP:303 Discuss the nature of supply chain management

61. C

Conducting a sales analysis. Businesses collect information to analyze all of their business functions. Sales are typically a business's primary source of income. Businesses review many aspects of sales to analyze and compare product movement, customer activity, salesperson performance, etc. Claire is not preparing a purchasing forecast, organizing an inventory report, or analyzing service performance.

SOURCE: OP:327 Discuss the nature of business analysis
62. D
Grain, minerals, leather, and oil. Businesses (e.g., manufacturers) usually maintain an inventory of items that they use to produce their goods. Grain, minerals, leather, and oil are examples of products that a business might use to make cereal, jewelry, coats, and gasoline, respectively. Paper, bolts, and leather may be classified as raw materials if they are being used to produce finished goods. Ore is a mineral. Staplers, tables, and household cleansers are finished goods.

SOURCE: OP:336 Discuss types of inventory

63. A
Post-sale service. Businesses often negotiate terms that do not relate to price. Post-sale service issues for equipment might include installation, training, and free maintenance for a limited amount of time. Payment terms and (dollar) volume reductions are price-related issues. Compensation is wages or pay for work performed.

SOURCE: OP:337 Negotiate terms with vendors in business

64. A
Building codes. Established by the government, building codes are the minimal acceptable standards of safety for the construction of buildings, homes, bridges, etc. Businesses often expand by constructing new facilities (e.g., warehouses) and need to work with architects, construction companies, and government agencies to ensure that the facilities meet the necessary structural standards. Health ordinances or codes are laws pertaining to issues that affect public health such as food service, sanitation, and communicable diseases. Zoning laws are laws that regulate the use of property such as commercial or residential use. Environmental regulations are statutes that protect the natural environment from air and water pollution, waste disposal, etc.

SOURCE: OP:339 Discuss legal considerations in operations

65. A
Business process map. Business process design aims at establishing a set of standardized process steps that are repeatable and focused on efficiency. Often oriented around customer satisfaction, the steps in a business process are clearly defined and laid out in a business process map that is shared throughout the organization and its stakeholders. An organizational chart may accompany or be influenced by the process design, but it is not the direct result. Similarly, a shareholder presentation may be created to communicate the business process design or map with shareholders in an attempt to demonstrate process efficiency, but this is not the direct result of the development of a business process. A third-party audit could potentially be solicited to give feedback on the process design, but largely these audits are not a part of process development.

SOURCE: OP:475 Describe the factors that influence business process design
66. B

Improve performance. Companies choose to change business processes for a variety of reasons, including to improve performance, reduce costs, and increase profitability. In this example, The Shumaker Company altered a business process to improve the company's overall performance, not to reduce company debt, decrease employee wages, or increase company spending.

SOURCE: OP:476 Explain the causes of business process changes

67. C

Poor supply chain management can result in customer dissatisfaction. Poor supply chain management would likely lead to many problems for all members of a supply chain, such as order fulfillment delays and product quality issues. These issues would most likely result in customer dissatisfaction, not customer satisfaction. Good supply chain management would lead to increased value for customers since product issues would be less likely. Good supply chain management is likely to result in sustainable business practices, not unsustainable business practices.

SOURCE: OP:477 Explain the impact of supply chain on business performance

68. B

Can be read much faster. RFID technology can be read much faster than barcodes. RFID technology is more expensive than barcodes, has reader collision concerns, and still has a chance of privacy problems.

SOURCE: OP:478 Describe the impact of technology on supply chain management

69. C

Supply chain network. A supply chain network is a group of organizations that have business relationships with each other for the purpose of creating an end product. Raw materials distributors, manufacturers, packaging companies, and stores are examples of the types of companies that participate in supply chains. The terms “route of production,” “manufacturing route,” and “distribution network” are not generally used to describe this type of network.

SOURCE: OP:479 Describe supply chain networks

70. D

Accountability and compliance. It is important for companies to consider safety regulations, child labor laws, and fair compensation practices before becoming involved in a global supply chain. Language barriers, time zone differences, and delivery and shipping delays are also important issues involved in global supply chain management; however, they are not described in this situation.

SOURCE: OP:480 Discuss global supply chain issues
71. D
An effective laptop security policy. Employees should be held accountable for the digital assets housed on their computers. One way to achieve this is by requiring employees to sign a detailed and effective laptop security policy that provides employees with best practices to ensure laptop security. Encryption software is more likely to protect digital assets from outsiders and/or criminals rather than holding employees accountable. Project management software is not necessarily related to protecting digital assets. Background checks will not necessarily help hold employees accountable for protecting digital assets.

SOURCE: OP:517 Comply with strategies for protecting business’ digital assets (e.g., website, social media, email, etc.)


72. B
Only ask for the information he needs the most. To protect customer data, Tanner should only ask for the customer information he needs the most so he does not unnecessarily collect private data that are not needed. This technique will help him limit the risk associated with collecting data. It is not a good idea to refrain from sharing the nature of the survey, because it is best to be open and transparent with customers. Tanner should not store the data for any future use because to protect customers, their data should only be used for the intended purpose. Finally, housing data on portable drives will not necessarily help protect customer data.

SOURCE: OP:518 Comply with strategies to protect digital customer data (e.g., information about customers, customers’ credit-card numbers, passwords, customer transactions)


73. C
A project plan. The compilation of the work, schedule, and assigned resources creates an overall project plan. A code of conduct is a set of rules and standards that govern the expected practices, decisions, procedures, and systems within an organization. A mission statement is a formal summary of the aims and values of a company, organization, or individual. A marketing plan is a set of procedures or strategies for attracting the target customer to a business.

SOURCE: OP:519 Plan project


74. C
Planning work ahead of time. Planning work involves scheduling activities and making sure to have the supplies needed to complete tasks. This helps effectively manage time, so work can be done at a relaxed pace. Generally, employees who plan out their work and manage their time do not have to worry about tight deadlines. Planning work often leads to greater productivity and efficiency, which means an employee is less likely to impose on coworkers for help to complete a task or project on time. An organized employee is also more focused on their tasks, making it less likely that they get distracted or sidetracked while working.

SOURCE: PD:009 Demonstrate systematic behavior

75. D

Objections. Creativity can be very helpful during sales presentations and when handling customer objections and complaints. Creative thinking helps the salesperson to illustrate product benefits to customers. When dealing with credit applications, responding to customer inquiries, and handling charge accounts, careful, logical thinking is required.

SOURCE: PD:012 Demonstrate appropriate creativity
SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

76. B

Marketing. Professional selling is a career in marketing. The marketing field includes career opportunities whose processes create, communicate, and deliver value to customers and manage customer relationships in ways that benefit the organization and its stakeholders. Professional selling is not a career in business management, finance, or sports, although these business areas may use professional selling in certain marketing efforts.

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

77. C

Schedule an interview. Applicants write letters to businesses in the hopes of obtaining an interview and ultimately a job. One way of getting an interview is for applicants to specify in their letters a time that they will call to discuss the possibility of scheduling an interview. Taking the initiative often helps job applicants obtain the interviews they need. By law, job applicants do not need to provide personal information about age, marital status, children, etc. Therefore, it is unlikely that an applicant would call to provide unrequested information. It would be inappropriate for job applicants to call in order to discuss salary and benefits or ask questions about the company.

SOURCE: PD:030 Write a letter of application

78. D

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

SOURCE: PD:254 Determine the nature of organizational goals

79. B

Business analytics. Business analytics is sometimes referred to as business information management. Business information management does not refer to office management, human resources management, or supply chain management. Business information management professionals are responsible for helping align business and IT goals and analyzing data to aid in business decision-making.

SOURCE: PD:297 Discuss employment opportunities in business management and administration
SOURCE: LAP-PD-297—Career Opportunities in Business Management and Administration
80. A

Project charter. A project charter is a document that formally authorizes the project and gives the project manager the authority to apply resources to the project. This document is often presented to senior management as a way to gain the necessary permission and commitment for the project. A project management plan is a comprehensive plan that includes all of the other plans necessary for the project. It is generally developed after the project charter and after senior management has given approval. The business case is a document that provides the necessary business information to determine if the project is a worthwhile investment. It is an input needed to develop a project charter. Finally, the project statement of work is a narrative description of products, services, or results to be delivered by a project. It is also an input needed to develop a project charter.

SOURCE: PJ:005 Initiate project

81. D

Prevents the duplication of work. Creating a work breakdown structure (WBS) involves dividing project tasks into meaningful components to complete the project. Dividing the entire project into smaller components helps the project manager identify tasks and effectively schedule, assign, and monitor complex project activities. By dividing the work into smaller packages, the project manager defines each task and the team member(s) who will perform the tasks, which prevents the duplication of work. Project managers cannot eliminate unexpected circumstances, although they must be able to handle them. Developing a WBS does not reduce the need to set project milestones (incremental goals) or decrease the need to manage project tasks.

SOURCE: PJ:006 Prepare work breakdown structure (WBS)

82. C

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

SOURCE: PJ:007 Manage project team

83. C

Celebrate their successful project completion together. Celebrating success is an important part of the project-closure process group because it builds morale and increases loyalty. Approving deliverables and signing documents are activities that should be done by stakeholders. Creating issue logs and developing a work breakdown structure are activities that should have been done before reaching the project-closure process group.

SOURCE: PJ:008 Close project
84. D

To measure project progress. KPIs are readings that enable a manager to assess progress toward the achievement of objectives. While executing and controlling projects, project managers should track the progress of the project by examining KPIs. KPIs do not eliminate risk. They also do not change the project plan, though they may inform the decision to make a change. Finally, KPIs do not communicate the project plan to stakeholders.

SOURCE: PJ:009 Execute and control projects


85. A

Network diagram. A network diagram is used to plan and track a project from beginning to end. A work breakdown structure shows the "part-whole" relationships in a project. In this example, the network diagram shows the major steps of the project from beginning to end. For example, each task in Kevin's project requires substeps that would be diagrammed in a work breakdown structure (e.g., substeps required to prepare house for painting: take down shutters, scrape off chipping paint, etc.). A scope management plan defines the project's purpose and rationale, the results to be achieved, and the products to be developed. A project charter is a written overview of a project that includes information such as the project purpose, goals, and products. It also identifies the project manager and authorizes them to begin work on the project.

SOURCE: PJ:010 Manage project schedule


86. A

Philosophy. Quality management is a philosophy that should flow throughout the entire organization. It is not a specific tool, technique, or process; rather, it is a way of thinking.

SOURCE: QM:001 Explain the nature of quality management

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

87. B

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

SOURCE: QM:002 Describe the nature of quality management frameworks (e.g., Six Sigma, ITIL, CMMI)

88. A
Performing audits. Continuous improvement occurs when an organization continuously evaluates its business or production processes to make them more effective and efficient. An audit involves collecting information to evaluate if the situation is improving. Setting goals is a planning activity. Organizing is the management function of setting up the way that the organization's work will be done. Scheduling is an activity that establishes the timetables for production activities.

SOURCE: QM:003 Discuss the need for continuous improvement of the quality process

89. C
Ethics committee. A breach of ethics poses a serious risk to businesses and may result in lawsuits, fines, and other financial losses. Some companies have implemented ethics committees to monitor and guide ethical policies and address ethical issues in the workplace. Committee members are often employees from various departments or divisions at all levels of the organization. Ethics committees help ensure that all employees, management, and board members are following ethical standards and regulations. Human resources council, retribution board, and executive commission are not groups or systems that monitor the integrity or ethics of a company.

SOURCE: RM:041 Explain the role of ethics in risk management

90. B
Automated oversight. Risk managers can use automated oversight technology to assign specific risk limits to individual divisions, departments, or employees. If focused on individual employees, the automated oversight technology tracks each employee's activity to determine if and when they exceed the preset risk limit. If the employee exceeds their limit, the software notifies management immediately. Management can then take the necessary actions to reduce the risk exposure. Financial analysts use stress testing to determine a particular financial instrument's stability in different extreme events. Data aggregation involves pulling together data from several disparate systems into one central repository or database. Corporate governance is the system by which directors handle their responsibility toward shareholders.

SOURCE: RM:042 Describe the use of technology in risk management

91. C
Conduct background checks on job applicants. Because hiring and training employees is an expense for businesses, they should ensure that the applicants' previous work experiences do not present business risks for them. Because applicants are unlikely to discuss unfavorable past work experiences during an interview, businesses need to take action to verify the information on their employment applications. Employers should confirm the applicants' previous employment, verify their references, and conduct background checks on applicants if needed. CopyIt may have reduced its liability by checking the drivers' previous driving records and employment history before extending job offers to them. There is not enough information provided to determine if the accidents involve substance abuse, so mandating monthly drug testing for all employees may not prevent future driving accidents. Requiring current drivers to take a driving exam every six months will not prevent the business from hiring unsafe drivers.

SOURCE: RM:043 Discuss legal considerations affecting risk management
92. A
Middle. This level of management is responsible for the daily functioning of the business. It also serves as a liaison between top-level and supervisory management. Top management develops broad company plans, while supervisory, or operating, management is the management level that implements management plans through direct supervision of workers.

SOURCE: SM:001 Explain the concept of management
SOURCE: LAP-SM-001—Manage This! (Concept of Management)

93. B
Established goals. Controlling is the management function that monitors the work effort. One of the main functions of managerial control is to make sure that the business's goals and objectives are achieved. To be successful, businesses must be able to achieve what they plan. By monitoring the actual results of various business activities, managers will know if the business is performing as planned and achieving its goals, or if changes need to be made. Hiring and purchasing are types of business activities. Safety regulations are established by governments.

SOURCE: SM:004 Describe the nature of managerial control (control process, types of control, what is controlled)

94. A
Short-range and specific. Tactical planning is short-range planning (one year or less) of specific actions that the business will take. Tactical plans involve day-to-day operating activities and are usually implemented by lower-level managers. Tactical plans are based on strategic plans. Strategic planning involves long-term planning (more than one year) and focuses on the general future of the company. Strategic plans are usually developed by upper management.

SOURCE: SM:063 Discuss the nature of managerial planning

95. A
Has a lack of middle managers. An organization with a wide span of control is one that has few managers overseeing a large number of employees. These tend to be horizontal or "flat" organizations in which there aren't many middle managers. Managers tend to have too many direct reports rather than too few. A wide span of control does not necessarily go hand-in-hand with a divisional organizational structure. Finally, the CEO and/or top executives tend to have more control when an organization has a wide span of control.

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

96. D
Staffing. The staffing function entails ensuring that a business has the right people working in the right job position at the right times. Staffing involves activities such as determining the need for new employees and/or new positions, recruiting, screening, interviewing, selecting, onboarding, training and developing, and developing compensation plans. Organizing involves identifying and grouping job tasks and mapping out lines of organizational authority. Planning entails identifying business goals and determining the best ways to achieve them. Controlling involves monitoring employee performance and ensuring that organizational goals are being met.

SOURCE: SM:065 Describe managerial considerations in staffing
SOURCE: LAP-SM-065—Dream Team Maker (Staffing)
97. D

Directing is the starting point of action. When a manager is directing, they are telling employees what to do, how to do it, and when to do it. Without direction, employees would be at a loss for how to do their jobs, such as the case when the marketing manager goes on vacation. This is not an example of how directors must build group dynamics, how directing is a continuous process, or how directing motivates employees.

SOURCE: SM:066 Discuss managerial considerations in directing
SOURCE: LAP-SM-066—Take Action (Managerial Considerations in Directing)

98. A

Learning doesn’t always lead to knowledge. Learning and knowledge are related, but they are not the same. Learning is the process of being exposed to new concepts and skills; knowledge is the information that is internalized and mastered through learning. Unfortunately, learning does not always lead to knowledge—much of what we learn is forgotten. In this way, learning—not knowledge—is fleeting. Businesses, therefore, should be mindful about how they train their employees. Training should always attempt to lead to maximum knowledge retention. Not all training sessions are useless, but many do not lead to maximum knowledge retention.

SOURCE: SM:094 Describe relationship among innovation, learning, and change

99. D

They don’t include everyone in the change process. Change affects an entire organization. Employees of all levels should be included and utilized in a strategy for change. Failure to include certain members of an organization in a change process can lead to distrust and low morale among those that are excluded. To be successful, change management must include everyone. Change management strategies do not generally fail because employees dedicate too much time to the change process, competitors have already implemented the changes, or low-level employees are given too much responsibility.

SOURCE: SM:095 Explain the nature of change management

100. B

Top-down and bottom-up dialogue among all employees. In order for change management to be successful, all employees must be engaged in the change. Therefore, both senior managers and lower-level employees need to be involved in active dialogue for the smooth implementation of a new process or procedure. Dialogue among upper management employees only, decision-making by top managers without staff input, and dialogue only among entry-level employees would all result in valuable perspectives and ideas being excluded from the change management process.

SOURCE: SM:096 Explain the change-management lifecycle