



Competency-Based
Competitive Events
Written Exam
for State/Province Use

Test Number 1279
Booklet Number _____

Hospitality and Tourism Exam

Hotel and Lodging Event

Restaurant and Food Service Management Event

Travel and Tourism Event

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

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This comprehensive exam was developed by the MBA Research Center exclusively for DECA's 2022-2023 Competitive Events Program. Items have been randomly selected from the MBA Research Test-Item Bank and represent a variety of instructional areas. Performance indicators for this exam are at the prerequisite, career-sustaining, specialist, manager, and owner levels. A descriptive test key, including question sources and answer rationale, has been provided to the DECA chartered association advisor.



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1. Samantha agrees to buy a bicycle from Tony for \$225. This is an example of a(n)
 - A. bilateral contract.
 - B. unilateral contract.
 - C. renegotiated agreement.
 - D. nonverbal agreement.
2. Which of the following could be described as a legally binding contract:
 - A. Rachel volunteers to take her elderly neighbor to the grocery store.
 - B. Shania asks her mom if she can go to the mall with her friends.
 - C. Brandon's landlord provides free coffee and tea to residents.
 - D. Matt agrees to purchase Jeromy's used car for \$5,000.
3. A guest falls and breaks their wrist after tripping over an extension cord while walking through the Marston Hotel's lobby. In this situation, the hotel may be responsible for paying the guest's medical bills due to
 - A. failure to restrain.
 - B. negligence.
 - C. privacy breaches.
 - D. fraudulent behavior.
4. A department store that behaves below a standard of reasonable care and causes harm to an employee or customer as a result may be sued for
 - A. invasion of privacy.
 - B. negligence.
 - C. strict liability.
 - D. assault and battery.
5. In which of the following situations would a hotel be liable for guest property:
 - A. Something is missing from the guest's room
 - B. Something is missing from the safe in a guest's room
 - C. Something is missing from a meeting room
 - D. Something is missing from a safe deposit box
6. Lin is giving a prepared presentation about the health benefits of following a balanced diet. What type of presentation is she most likely to be giving?
 - A. Persuasive
 - B. Informative
 - C. Entertaining
 - D. Impromptu
7. In which of the following documents is it most appropriate to include an executive summary:
 - A. Six-page case study
 - B. Complex research report
 - C. Manuscript outline
 - D. Employee handbook

8. A salesperson is having to take a very active role to complete a sale in a reasonable length of time. With what type of difficult customer is the salesperson working?
- A. Slow/Methodical
 - B. Disagreeable
 - C. Dishonest
 - D. Suspicious
9. An organization's structure should ensure that customers' experiences with the business are
- A. endless.
 - B. seamless.
 - C. time-consuming.
 - D. profitable.
10. Successful hospitality businesses often hire temporary staff during
- A. residence times.
 - B. critical moments.
 - C. peak seasons.
 - D. touchpoints.
11. Why should hotels train their staff on using guest recovery solutions?
- A. To empower staff members to resolve customer service complaints
 - B. So they can inform unhappy customers of the hotel's policies
 - C. To reduce a hotel's legal obligations to unsatisfied customers
 - D. So they understand that recovery solutions are required by law
12. A diner is dissatisfied with the way their medium-rare steak was prepared. What is the first step the waiter should take to resolve the situation?
- A. Listen to the diner's concerns to determine a resolution
 - B. Offer to remove the charge for the meal from the check
 - C. Tell the customer that the steak was properly prepared
 - D. Ask the kitchen to prepare a steak that is medium-rare
13. A customer becomes angry with Rafael and starts yelling, threatening to attack Rafael if they do not get what they want. What should Rafael do?
- A. End the interaction
 - B. Give the customer what they want
 - C. Offer the customer a discount
 - D. Confront the customer
14. Which of the following is a true statement regarding the relationship between customer service and the hospitality and tourism industry:
- A. Customer service cannot be taught through training.
 - B. Business success or failure depends on customer service.
 - C. Customer service is important, but less so than price.
 - D. Greater customer satisfaction leads to lower revenue.

15. Vinny was pleased with his hotel room because it looked exactly like the pictures he saw online. This example best represents which factor that leads to positive customer experiences?
- A. Empathy
 - B. Honesty
 - C. Efficiency
 - D. Respect
16. Which of the following is a way to anticipate customer needs without asking:
- A. Focus on selling products
 - B. Plan customer service efforts
 - C. Get to know customers
 - D. Offer online chat support
17. Which of the following is a positive moment of truth:
- A. A sales representative exceeds their sales quota for the year as a new hire.
 - B. A manufacturer develops a new product model in less time than the original.
 - C. A business announces to its shareholders that it has doubled its annual profit.
 - D. A customer finds chocolates on their hotel room pillows after checking in.
18. John only had \$40 to spend and couldn't decide whether to buy a new pair of jeans or to go to an amusement park. He finally decided to spend his money on the amusement park. What was the opportunity cost of his decision?
- A. No opportunity cost was involved.
 - B. New pair of jeans
 - C. Trip to amusement park
 - D. \$40
19. Combining steel, glass, and other raw materials into a vehicle is an example of _____ utility.
- A. possession
 - B. place
 - C. form
 - D. time
20. Which of the following economic principles determines what will be produced and how much of it will be produced:
- A. Producers and consumers
 - B. Equilibrium price
 - C. Market price
 - D. Law of supply and demand
21. A manager allowing employees to set the pace of their work is an example of providing job
- A. enlargement.
 - B. rotation.
 - C. enrichment.
 - D. satisfaction.

22. Caroline manages a large group of highly skilled researchers at a corporation. Caroline is most likely to have a(n) _____ span of control.
- A. extensive
 - B. wide
 - C. intensive
 - D. narrow
23. Which of the following best illustrates the impact that a country's history can have on world trade:
- A. China's willingness to trade with the outside world
 - B. Aversion to products made in Germany and Japan after WWII concluded
 - C. Low economic growth of African nations, limiting their ability to trade globally
 - D. Saudi Arabia supplying the world with exports of oil
24. During an economic recession, a destination's hotels are more likely to experience
- A. lower unemployment rates.
 - B. higher labor costs.
 - C. lower occupancy rates.
 - D. higher property taxes.
25. Which of the following is a characteristic of open, honest communication:
- A. It only needs to occur once.
 - B. It discourages conflict between people.
 - C. It gives more information than people need.
 - D. It encourages questions and suggestions.
26. Seth is a quality control manager at a textiles manufacturing firm. One of his primary tasks is utilizing the "PDCA" cycle—or "plan-do-check-act" cycle. Which of the following business practices is Seth responsible for:
- A. Continuous improvement
 - B. Employee relations
 - C. Managerial accounting
 - D. Operational planning
27. To prevent others from making or selling Evan's invention without permission, he should seek legal protection by applying for a
- A. trademark.
 - B. patent.
 - C. permit.
 - D. copyright.
28. An entrepreneur who wants to make their own business decisions, versus passing that responsibility on to someone else, is least likely to fund their new business with
- A. a family loan.
 - B. a bank loan.
 - C. peer-to-peer lending.
 - D. an angel investor.

29. A business borrowed \$4,000 from the Fifth National Bank. The business owns \$7,000 worth of inventory and still has \$24,000 of its original initial investment in the business. What is the liability of the business?
- A. \$4,000
 - B. \$7,000
 - C. \$24,000
 - D. \$35,000
30. The three sections of a balance sheet represent the basic
- A. financial quota.
 - B. bookkeeping system.
 - C. accounting equation.
 - D. investment plan.
31. The "Let's Go Nuts" coffee shop brings in \$68,000 in sales during the year. Its cost of goods sold totals \$42,000, and its operating expenses are \$27,000 for the same year. What is the net income or net loss for the coffee shop?
- A. \$1,000 net income
 - B. \$41,000 net loss
 - C. \$26,000 net income
 - D. \$1,000 net loss
32. A master budget is made up of information from
- A. specialized budgets that are handed down from top management.
 - B. internal sales forecasts and the probable level of competition.
 - C. specialized budgets that are generated by individual departments.
 - D. the previous year's budget, with a 10% increase.
33. What is an example of a job title in corporate finance?
- A. Salesperson
 - B. Credit analyst
 - C. Accountant
 - D. Product manager
34. A company can best ensure that its financial decisions will enhance its reputation and not harm others by making financial decisions that are
- A. ethical.
 - B. planned.
 - C. researched.
 - D. legal.
35. When reconciling cash receipts for the day, how are voided and refunded transactions usually handled?
- A. They are subtracted from the total receipts to determine net intake.
 - B. Since they are not included in the total receipts, they are ignored.
 - C. They are only subtracted from the total receipts if there is a cash shortage.
 - D. They are added to the total receipts to determine net intake.

36. The current price of Sun Valley Corporation stock is \$25 per share. The company has one million outstanding shares. On its latest cash flow statement, the corporation reported cash flows from operating activities of \$15 million. Calculate the corporation's price-to-cash flow ratio.
- A. 2.34
 - B. 3.21
 - C. 5.48
 - D. 1.67
37. Which of the following is one way to make it easier to have conversations about employee compensation:
- A. Have a set structure for raises and bonuses
 - B. Keep conversations one-on-one
 - C. Remove emotion from the conversation
 - D. Use vague language rather than specific facts
38. Employees at Winding Brook Resorts have not received raises in three years, but the CEO has received a large bonus each of those years. What can these employees do to advocate for raises?
- A. Obtain workers' compensation
 - B. File a lawsuit
 - C. Quit their jobs
 - D. Go on strike
39. Seth recently informed his manager, Tammy, that he is leaving the company. During her last meeting with Seth, Tammy took detailed notes and asked Seth questions about the problems that Seth had encountered on the job and how he handled them. Seth shared important information that his replacement will need to know so they can do the job efficiently. What technique is Tammy using to capture knowledge for future use in the organization?
- A. Exit interview
 - B. Concept mapping
 - C. Training session
 - D. Data codification
40. Which of the following is an example of service marketing that could benefit the FreshFast Grocery store:
- A. Airing a TV advertisement that features the manager's family
 - B. Offering a play area for children while their parents shop
 - C. Partnering with an organic farm to improve the quality of produce
 - D. Selling all cereal and grain products at 50% off for one week
41. Which of the following factors has the greatest effect on a consumer's buying behavior:
- A. Social influences
 - B. Cultural influences
 - C. Situational influences
 - D. Individual influences

42. When a lodging property develops a weekend package for groups of women who enjoy scrapbooking, it is segmenting the market by
- A. geography and lifestyle.
 - B. life cycle and geography.
 - C. lifestyle and gender.
 - D. gender and life cycle.
43. Tara closes a large business deal for the company she works for. What should she do with the signed contract?
- A. Return it to the client
 - B. Store it in a secure place
 - C. Keep it with her
 - D. Show it to her coworkers and friends
44. When writing email messages, employees should remember that emails
- A. can be forwarded to others.
 - B. are formal correspondence.
 - C. take a long time to prepare.
 - D. are private conversations.
45. Which of the following is a way that businesses often use database software programs:
- A. To diagram work schedules
 - B. To organize vendor information
 - C. To calculate weekly payroll
 - D. To prepare promotional material
46. Ken is developing a web page for a new bed-and-breakfast inn. He wants to add information on the web page that describes local tourist attractions and restaurants. To allow website visitors the ability to visit these other websites from the bed-and breakfast inn's website, Ken should create
- A. portals.
 - B. a site map.
 - C. hyperlinks.
 - D. cookies.
47. Hospitality businesses are developing strategies to accommodate niche markets. Skydivers are an example of a group in a growing segment called the _____ market.
- A. agritourism
 - B. adventure
 - C. environmental
 - D. geotourism
48. The capability of many customers to bypass travel agents when booking trips is one way that the travel and tourism industry has been impacted by
- A. commercialization.
 - B. deregulation.
 - C. information.
 - D. technology.

49. What portable device can businesspeople use to store electronic documents so they can later retrieve them from other computers?
- A. Flash drive
 - B. Portable charger
 - C. Computer battery
 - D. Audio recorder
50. One way in which many lodging facilities automate their product offerings is by
- A. offering valet parking services.
 - B. encouraging guests to order room service.
 - C. requiring guests to pay for internet service.
 - D. implementing self-service check-in options.
51. Using its customer database, an airline determines that out of all of the customers that flew with the airline last year, 31% of them were leisure travelers. In relation to the entire group of customers, the group of leisure travelers represents a
- A. consensus.
 - B. sample.
 - C. subset.
 - D. framework.
52. Which of the following is a primary benefit of using big data and analytical tracking tools for hotels and other hospitality companies:
- A. The ability to better understand customer behavior
 - B. The chance to outperform competing hotels
 - C. The option to sell more expensive hotel rooms
 - D. The opportunity to enhance the company's image
53. How does organizing provide a sense of security for employees?
- A. They know exactly what is expected of them.
 - B. They know how their work supports company goals.
 - C. They do not have to report to anyone.
 - D. They do not have to duplicate work.
54. Open Road Bus Tours uses analytical tracking tools specifically to study how effective its advertisements are. The bus tour company then uses this information to improve its promotional efforts and reach more customers. What type of data does Open Road collect with these tracking tools?
- A. Primary
 - B. Nonspecific
 - C. Secondary
 - D. Outlying

55. Many hotel chains offer special perks and benefits to guests who join their loyalty programs. In exchange for these special deals and discounts, customers agree to let the hotels collect their contact information and track their
- A. purchasing behavior and preferences.
 - B. employment history and monthly income.
 - C. preferred distribution channels.
 - D. feasibility study results.
56. Riley is a 28-year-old young professional who enjoys experiencing new cultures. Instead of traveling with family or friends, she prefers to make solo trips. Traveling alone allows her to truly enjoy her experience without the distraction of others. The growing popularity of solo travel is a(n) _____ impacting the hospitality and tourism industry.
- A. guest trend
 - B. regulatory shift
 - C. economic trend
 - D. technological change
57. A hotel's general manager tells the IT director that he wants to learn about recent technological changes in the industry. The IT director should
- A. write an exploratory report.
 - B. make a recommendation presentation.
 - C. present analytical data.
 - D. purchase new software.
58. The Great Luxury Inn is having budgetary issues that are negatively impacting the hotel. As a result, Leo, the hotel's front office manager, needs to prepare a short report for the general manager that outlines these budgetary issues. Which of the following should Leo do first when writing the report:
- A. Explain a formal plan to correct the issues
 - B. Write the conclusion for the report
 - C. Proofread and edit the report
 - D. Describe the purpose of the report
59. Star Resorts and Spas recently revamped its smartphone app to include virtual tours of hotel rooms, new loyalty program features, and the ability for customers to check in and check out using their phones. The company knows that today's tourists are more connected than ever, and it hopes that the new app will enhance the visitor experience at its locations. Star Resorts and Spas is using _____ to better meet customer needs.
- A. customer feedback
 - B. mobile technology
 - C. social media influencers
 - D. changing travel habits
60. Which of the following is one of the most important skills for a project manager to possess:
- A. Integrity
 - B. Strength
 - C. Leadership
 - D. Education

61. Which of the following is an example of employee pilferage:
- A. Changing the amount specified on a check you prepare for the company with authorization
 - B. Installing personally owned software on your workplace computer
 - C. Hacking into a competitor's computer network to obtain trade secrets
 - D. Padding an expense account
62. Simon, an employee at a movie theater, never takes popcorn or snacks from behind the counter unless he pays for them. He knows that the theater would run into trouble if the employees routinely took food without paying for it. Simon's behavior is an example of how employees can
- A. increase expenses for the company.
 - B. act as salespeople for the company.
 - C. contribute to expense control.
 - D. be punished for breaking the rules.
63. A hotel can prevent unauthorized visitors from accessing the property by
- A. changing traditional room locks every week.
 - B. instituting a lockout for specific guests.
 - C. providing vendors with electronic key cards.
 - D. locking particular doors after certain hours.
64. While an adventure tour guide is leading a white-water rafting group, a group member falls and breaks an ankle. What are the primary provisions the guide needs to help the injured group member?
- A. Pain and allergy medication
 - B. Medical kit and cell phone
 - C. Toolbox and flashlight
 - D. Map and compass
65. An advantage to businesses of using quality control methods is that these methods often
- A. increase waste.
 - B. involve time.
 - C. require directions.
 - D. reduce costs.
66. Bryant works as an assembler at a toy manufacturer. Every day before he starts up his manufacturing equipment, he runs a test to make sure that the equipment is in working order. This is an example of
- A. being proactive when carrying out quality control processes.
 - B. being reactive when carrying out quality control processes.
 - C. using quality control methods to minimize waste and clutter.
 - D. using quality control methods to decrease production.
67. It is important for a business to track the invoices that it issues and receives because they
- A. are legal documents.
 - B. are a form of legal tender.
 - C. serve as registration slips.
 - D. serve as proof of delivery.

68. Which of the following is an example of company equipment that may be approved for personal use by employees:
- A. Cell phone
 - B. Office furniture
 - C. Raw materials
 - D. Tractor
69. When a handbag company embroiders a customer's name or monogram on a cloth tote bag, it is processing a(n)
- A. special order.
 - B. reorder.
 - C. blanket requisition.
 - D. open requisition.
70. Which of the following are examples of inventory that consists of finished goods:
- A. Hardware, bleach, and crude oil
 - B. Computers, tape, and soap
 - C. Automobiles, coal, and graphite
 - D. Glassware, minerals, and magazines
71. One way to prevent breaches of digital customer data is to
- A. report data security issues.
 - B. share data with all employees.
 - C. store data indefinitely.
 - D. collect as little data as possible.
72. SunRise Inn hotel rooms can be reserved directly through the inn's website, through an in-person travel agency, or through online travel booking websites such as Expedia. This allows the hotel to reach the maximum number of customers. The company website, in-person travel agencies, and online booking engines are examples of
- A. quality control methods.
 - B. public relations.
 - C. distribution channels.
 - D. customer relations.
73. Most hotels now offer guests the option to reuse their bath towels instead of receiving new ones each morning. This is an example of how the hospitality industry has embraced
- A. the elimination of toxins in bath products.
 - B. water and energy conservation.
 - C. organic cleaning products in guest rooms.
 - D. recycling and waste reduction.
74. If project managers are open and honest in their communications, they are being ethical in regard to
- A. the project's quality.
 - B. scope management.
 - C. stakeholder management.
 - D. the project's budget.

75. To set prices, businesses must price the physical product and all of its associated
- A. physical characteristics.
 - B. value.
 - C. services.
 - D. features.
76. Calculate the final cost of an item that has a list price of \$200 and series discounts of 20%, 10%, and 5%.
- A. \$186.30
 - B. \$136
 - C. \$136.80
 - D. \$130
77. Which of the following is a stage of a product's life cycle:
- A. Adolescence
 - B. Birth
 - C. Maturity
 - D. Death
78. Why should existing products be monitored?
- A. To determine the acceptance of a product by a limited market
 - B. To evaluate how well a product might fit into a firm's product mix
 - C. To put a marketing plan in place
 - D. To make changes to extend a product's life cycle
79. A technology company that offers its products in many different colors and at several different price points likely has a _____ product mix.
- A. broad
 - B. shallow
 - C. deep
 - D. narrow
80. Which of the following is the most appropriate item to bundle with a bottle of shampoo:
- A. Bottle of conditioner
 - B. Tube of toothpaste
 - C. Bottle of hand lotion
 - D. Bar of soap
81. Which of the following is an important consideration when developing product extensions in the travel and tourism industry:
- A. Cost of advertising new ideas
 - B. Attitudes of industry employees
 - C. Complexity of the purchasing process
 - D. Needs of the target market

82. Which of the following is part of a company's brand identity:
- A. Promises
 - B. Values
 - C. Personality
 - D. Design
83. The Queen Mary is a retired ocean liner that transported passengers between England and the United States from the 1930s through the mid-1960s. For a brief time during World War II, the military retrofitted the ship to use as a troopship. In 1967, the ship moved to Long Beach, California, and now serves as a stationary "floating" hotel and event venue that reflects the decor of days gone by. Based on the information provided, what is the Queen Mary's competitive advantage?
- A. Its tropical excursion options
 - B. Its customer service efforts
 - C. Its gaming and entertainment attractions
 - D. Its unique historical attributes
84. Competing businesses within the same industry usually react to each other's promotional mixes by
- A. changing distribution channels.
 - B. reducing their promotional budgets.
 - C. trying not to outdo each other.
 - D. playing follow the leader.
85. Which of the following is an important reason for a travel agency to display tourism literature:
- A. To limit the number of client questions
 - B. To sell travel arrangements to prospective clients
 - C. To provide in-depth geographic information
 - D. To create an attractive travel display
86. Which of the following is a promotional method that a cruise line might use to generate widespread interest in a new cruise to an exotic location:
- A. Rebates
 - B. Coupons
 - C. Premiums
 - D. Sweepstakes
87. Which of the following is a potential benefit of implementing quality management:
- A. Unchanging organizational vision
 - B. Increased consistency
 - C. Lower taxes
 - D. Increased costs
88. Maurice makes an effort to communicate transparently. Which of the following things is he most likely to do if he is listening to others:
- A. Give other people constructive feedback
 - B. Pay attention to nonverbal communication
 - C. Ignore others' gestures and body language
 - D. Be accountable for any mistakes he makes

89. Which of the following is an internal activity that companies use to control their risk levels:
- A. Accurate financial records
 - B. Excessive inventory to meet potential customer needs
 - C. Lenient credit policies
 - D. Substandard equipment to save on equipment costs
90. Which of the following types of risk is generally uninsurable:
- A. Employee health
 - B. Business failure
 - C. Property damage
 - D. Customer injury
91. Carlos tries to respond personally to his customers' needs and wants by using communication to influence their purchase decisions. Carlos is engaged in
- A. distributing.
 - B. advertising.
 - C. selling.
 - D. financing.
92. Using a step-by-step selling process helps salespeople remain organized, gaining customer
- A. admiration.
 - B. confidence.
 - C. praise.
 - D. referrals.
93. One way that salespeople can obtain selling information from company promotional materials is to _____ the materials.
- A. read
 - B. write
 - C. copy
 - D. buy
94. Between the hours of 4:00 p.m. and 6:00 p.m., Barney's Restaurant offers a 15% discount off dinner entrees. Calculate a customer's discount amount for a check that consists of one crab cake appetizer at \$7.25; two steak dinners at \$22.50 each; one shrimp dinner at \$18.50; two soft drinks at \$1.75 each; one cup of coffee at \$1.25; and two ice-cream sundaes at \$4.75 each.
- A. \$8.77
 - B. \$10.55
 - C. \$11.21
 - D. \$9.53

95. Melissa's family goes to the same remote beach destination every year for one week. All of the family members enjoy the quiet, relaxing atmosphere that the location offers. In this situation, the motive to travel to this location is
- A. price.
 - B. prestige.
 - C. adventure.
 - D. comfort.
96. Which of the following is the type of guest who is most likely to benefit when a hotel employee advises the guest that the property has an on-site photocopy center:
- A. Incentive
 - B. Social
 - C. Business
 - D. Leisure
97. Kaylee is the event coordinator for the Houghton Hotel. She is placing an order for unique table centerpieces with a vendor on behalf of a client who is holding a wedding reception at the hotel. What type of order is Kaylee placing?
- A. Special
 - B. Open
 - C. Standing
 - D. Blanket
98. In management, a primary organizing activity is
- A. assigning responsibility.
 - B. evaluating job performance.
 - C. controlling external conditions.
 - D. hiring talented workers.
99. A cafe manager tracks the mean number of customers at hourly intervals throughout the week. What can they interpret from this statistic?
- A. Which products are the most profitable
 - B. What time they need to staff more employees
 - C. Which employees are the most successful
 - D. How customer satisfaction relates to time
100. Motivation can best be thought of as
- A. the example managers set for employees.
 - B. developing a team spirit.
 - C. the reason you do the things you do.
 - D. communication between employees.



KEY

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1. A

Bilateral contract. In bilateral contracts, both parties promise to do something. In the example, Samantha promises to pay \$225 to Tony. In exchange, Tony promises to give Samantha the bike. Unilateral contracts are contracts that involve promises made by one party. For example, a pet owner offers to pay a reward for a lost animal. In this situation, the pet owner is the only party making a promise. There is not enough information to determine if Samantha and Tony made a verbal or nonverbal agreement or if they renegotiated terms.

SOURCE: BL:002 Describe the nature of legally binding contracts

SOURCE: Hayes, A. (2021, May 2). *Bilateral contract*. Retrieved October 6, 2022, from <https://www.investopedia.com/terms/b/bilateral-contract.asp>

2. D

Matt agrees to purchase Jeromy's used car for \$5,000. To be considered legally binding, a contract must contain two elements—agreement from all parties and the exchange of something of value for something else of value. The only legally binding contract provided is the exchange of Jeromy's car for Matt's \$5,000. Matt and Jeromy are both in agreement, and there is an exchange of something of value (money) for another item of value (the car). Volunteering is not an example of a legally binding contract, because the volunteer doesn't get anything of tangible value in return for their service. Similarly, offering free coffee and tea to residents without the expectation of anything in return is not a legally binding contract. Asking someone for permission is not an example of a legally binding contract, either.

SOURCE: BL:002 Describe the nature of legally binding contracts

SOURCE: Laurence, B. (2022). *Contracts 101: Make a legally valid contract*. Retrieved October 17, 2022, from <https://www.nolo.com/legal-encyclopedia/contracts-101-make-legally-valid-30247.html>

3. B

Negligence. If a business is negligent, it is not doing something necessary or required. Hotels must take reasonable duty of care to protect the safety of its guests and employees. If a hotel does something that breaches the duty of care, such as running an extension cord through the lobby, the hotel may be liable for negligence if a guest or employee is injured. If the court finds that the hotel acted negligently, it may require the hotel to pay for the guest's medical bills. Fraud is deception purposely carried out to secure unfair or unlawful gain. Examples of fraudulent behavior include providing inaccurate information on tax returns and money laundering. Failure to restrain often involves charges that a pet owner does not take adequate steps to prevent a domestic animal from escaping their care, resulting in injury to another animal or a person. Privacy breaches involve the accidental or intentional release of confidential information (e.g., guest credit card number).

SOURCE: BL:065 Explain the nature of regulations affecting the hospitality and tourism industry

SOURCE: AllLaw. (2022). *Can a hotel be liable in a personal injury claim?* Retrieved October 17, 2022, from <https://www.alllaw.com/articles/nolo/personal-injury/hotel-injury-claims.html>

4. B

Negligence. Negligence is conduct by an individual or organization that drops below a reasonable standard of care that causes harm to a person or group of people. For example, if a department store janitor failed to put out "wet floor" signs after mopping the floors and a customer fell and was seriously injured, the store may be sued for the tort of negligence. Strict liability is a tort in which a person or entity causes harm to another person or entity as a result of engaging in an inherently dangerous activity—regardless of whether the activity was intended to harm or not. Assault and battery are torts involving intentional intimidation and physical harm of another person. Invasion of privacy, as described by its name, involves the invasion of someone's privacy by using their likeness without their permission, intruding on their physical solitude, or disclosing their private information to others without their consent.

SOURCE: BL:069 Identify the basic torts relating to business enterprises

SOURCE: Laws. (2020, September 12). *A brief overview of tort law*. Retrieved October 6, 2022, from <https://tort.laws.com/tort-law>

5. D

Something is missing from a safe deposit box. When hotel guests protect their valuables by putting them into a safe deposit box, they have the right to hold the hotel liable if something is missing from the box. The hotel has custody of the valuables. In the other alternatives, the hotel does not have custody of the missing items. Therefore, the hotel cannot be held liable.

SOURCE: BL:135 Describe the rights of customers in the hospitality and tourism industry

SOURCE: US Legal, Inc. (2022). *Liability for damage or loss to guest property*. Retrieved October 6, 2022, from <https://hotels.uslegal.com/liability-for-damage-or-loss-to-guest-property>

6. B

Informative. Since Lin is providing information about the health benefits of following a balanced diet, the presentation is an informative one. There's no indication that Lin is trying to persuade or entertain the audience. Since Lin prepared her presentation in advance, it is not likely to be an impromptu one, given on the spur of the moment without advanced preparation.

SOURCE: CO:025 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

7. B

Complex research report. The executive summary provides an overview of the entire document and contains the most important information included in the body of the report. Executive summaries are often included in long, complex reports that contain a lot of information. By reading the executive summary, the reader can determine which section of a long report that they want to read in more detail. A six-page case study, an employee handbook, and a manuscript outline do not require an executive summary.

SOURCE: CO:091 Write executive summaries

SOURCE: Bird, B. (2018, October 25). *How to write an executive summary*. Retrieved October 6, 2022, from <https://bizfluent.com/how-16566-write-executive-summary.html>

8. A

Slow/Methodical. Slow/Methodical customers may need more action on the salesperson's part to close within a reasonable period of time. Dishonest customers should be watched for signs of dishonest behavior. Disagreeable customers are often surprised and calmed by salespeople who are composed, courteous, and efficient. Suspicious clients will often be your customer for life if you can gain their confidence and trust.

SOURCE: CR:009 Handle difficult customers

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

9. B

Seamless. An organization's structure should ensure that customers' experiences with the business are seamless. This can sometimes be difficult because different departments may have different methods of reaching business goals. Departments must work together to keep CRM a priority. Businesses want customer experiences to result in profit, but organizational structure does not necessarily ensure this. Businesses do not want customers' experiences to be endless or time-consuming.

SOURCE: CR:016 Discuss the nature of customer relationship management

SOURCE: LAP-CR-016—Know When to Hold 'Em (Nature of Customer Relationship Management)

10. C

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

SOURCE: CR:038 Identify strategies to manage customer experience during peaks in demand

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

11. A

To empower staff members to resolve customer service complaints. When hotels train their staff members on using guest recovery solutions, it gives them the confidence and the tools to resolve customer complaints effectively. The purpose of guest recovery is to resolve any dissatisfaction so that guests come back for another visit. Guest recovery solutions are actions taken to satisfy guests' needs and requests to increase customer loyalty. When customers are unhappy, explaining hotel policies is not likely to appease them. The use of guest recovery solutions is not typically related to a hotel's legal obligations and does not reduce them. A hotel's legal obligations relate to protecting a guest's privacy and safety and to fulfilling the contractual obligations of a guest's reservations.

SOURCE: CR:045 Explain the nature of guest recovery

SOURCE: Schim, J. (2015, February 1). *Guest recovery*. Retrieved October 6, 2022, from <https://www.linkedin.com/pulse/guest-recovery-jeffrey-schim>

12. A

Listen to the diner's concerns to determine a resolution. It's crucial for a waiter to respectfully listen to an unsatisfied diner to show concern and to determine the true cause of dissatisfaction. Explaining that a steak was properly prepared when the customer feels differently shows a lack of respect and concern. Instead of offering one solution, the staff member should work with the customer to determine what solution they would prefer. For example, if the diner doesn't have time to wait for a new meal, offering one is a poor solution. It is also important for a staff member to follow up with the customer to make sure they are satisfied with their experience before leaving the restaurant. If a staff member fails to handle and resolve customer complaints in a satisfactory manner, the customer is likely to never return.

SOURCE: CR:046 Determine strategies for resolving customer-service situations

SOURCE: Houston Chronicle. (2021, August 17). *Problem solving steps in customer service*. Retrieved October 6, 2022, from <https://work.chron.com/problem-solving-steps-customer-service-20738.html>

13. A

End the interaction. When customers become angry and threaten physical violence, employees should end the interaction and remove themselves from the situation quickly. Rafael should not give the customer what he wants or offer the customer a discount, because at this point, the interaction with the customer is beyond saving and dangerous. Finally, Rafael should not confront the customer, because doing so would cause an even bigger problem and put them both in danger.

SOURCE: CR:047 Resolve sensitive/dangerous customer-service situations

SOURCE: Coyle, S. (2019, July 25). *Handling f-bombs, death threats, and job threats from your abusive customers*. Retrieved October 17, 2022, from <https://www.linkedin.com/pulse/handling-f-bombs-death-threats-job-from-your-abusive-customers-coyle>

14. B

Business success or failure depends on customer service. In the hospitality and tourism industry, success or failure depends on the level and quality of customer service. Customer satisfaction is heavily influenced by service, and the greater the customer satisfaction, the higher the revenues for the business. Customer service has a greater impact than price when it comes to a customer's buying decision in this industry. Also, customer service can be taught through employee training programs; in fact, training is a crucial tool when it comes to ensuring high-quality customer service.

SOURCE: CR:049 Explain the nature of customer service in the hospitality and tourism industry

SOURCE: Freeman, R., & Glazer, K. (n.d.). *Chapter 9: Customer service*. Retrieved October 6, 2022, from <https://opentextbc.ca/introtourism/chapter/chapter-9-customer-service>

15. B

Honesty. Customers who are treated with honesty are much more likely to have a positive experience. Because the pictures online accurately reflected Vinny's hotel room, he was happy with the experience. This example is not as directly related to respect, efficiency, or empathy.

SOURCE: CR:052 Identify factors associated with positive customer experiences

SOURCE: Parson, S. (2022). *12 tips for a positive customer experience*. Retrieved October 6, 2022, from <https://www.customerservicemanager.com/12-tips-for-a-positive-customer-experience>

16. C

Get to know customers. Companies should be familiar with their customers and information about them, such as their previous purchases and other issues they've had with the company. This will help customer service employees prevent problems before they occur and give customers what they need. Focusing on selling products will not help companies anticipate customer needs. Planning customer service efforts is a good idea, but it is not necessarily related to anticipating customer needs without asking. Offering online chat support will not necessarily help companies anticipate customer needs without asking.

SOURCE: CR:053 Anticipate unspoken customer needs

SOURCE: McMahon, D. (2020). *4 ways to accurately anticipate customer needs*. Retrieved October 6, 2022, from <https://aveus.com/4-ways-to-accurately-anticipate-customer-needs-2>

17. D

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

SOURCE: CR:055 Deliver positive moments of truth

SOURCE: Hyken, S. (2014, November 25). *Manage your customer service moments of truth and create moments of magic*. Retrieved October 6, 2022, from <https://www.forbes.com/sites/shephyken/2014/11/25/manage-your-customer-service-moments-of-truth-and-create-moments-of-magic>

18. B

New pair of jeans. When a choice is made about the best use of resources, the next-best alternative that is given up is called the opportunity cost. In this case, John decided to spend his money on a trip to an amusement park rather than on a new pair of jeans. Since the pair of jeans was given up, it is the opportunity cost. Opportunity costs exist because of scarcity.

SOURCE: EC:001 Describe the concepts of economics and economic activities

SOURCE: LAP-EC-901—Are You Satisfied? (Economics and Economic Activities)

19. C

Form. Form utility means altering or changing the shape of a product to make it more useful to the consumer, as in transforming various raw materials into cars and trucks. Time utility involves making products available at the time they are wanted or needed by consumers. Place utility occurs when goods and services are available at the place (location) they are wanted or needed by consumers. Possession utility is created when ownership of a product is transferred from the seller to the person who will use it.

SOURCE: EC:004 Determine economic utilities created by business activities

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

20. D

Law of supply and demand. The law of supply and demand is an economic principle which states that the supply of a good or service will increase when demand is great and decrease when demand is low. Producers and consumers generally control supply and demand. Market price is the price that exists in the marketplace at any particular moment. Equilibrium price is the price at which the quantity of a good that buyers want to buy and the quantity that sellers are willing to sell are equal.

SOURCE: EC:005 Explain the principles of supply and demand

SOURCE: LAP-EC-011—It's the Law (Supply and Demand)

21. C

Enrichment. Job enrichment involves adding interest and satisfaction to a task to increase employee motivation. Allowing employees to set their own pace is one way of enriching jobs. Job enlargement is combining job tasks so that a worker has more responsibility for the completion of a job. Job rotation involves moving people around to different jobs to teach them new skills and to show them how tasks are interrelated. Job satisfaction is the degree to which one likes their job and is motivated to do it.

SOURCE: EC:014 Analyze impact of specialization/division of labor on productivity

SOURCE: LAP-EC-914—Divide and Conquer (Specialization and Division of Labor)

22. B

Wide. Many factors affect how many employees a manager can effectively supervise, which is the manager's span of control. Employees who have highly specialized skills, such as research scientists, can usually perform their work without a lot of supervision. If employees require less supervision, the manager can usually handle more employees at once, which means the manager has a wide span of control. When employees need a lot of guidance and supervision to perform their work, it takes more of the manager's time. In these situations, the manager tends to have a narrow span of control. Intensive and extensive are not types of spans of control.

SOURCE: EC:103 Explain the organizational design of businesses

SOURCE: LAP-EC-103—Designed to Work (Organizational Design of Businesses)

23. B

Aversion to products made in Germany and Japan after WWII concluded. People affected by war often develop long-lasting negative attitudes toward countries considered responsible for the conflict. For example, many Americans who were alive during WWII were uninterested in products made in Germany or Japan because Germany and Japan were America's enemies during the war. There's no indication that African nations' low economic growth is the result of historical events. China's willingness to trade with the outside world does not illustrate history impacting trade. The oil-rich lands of Saudi Arabia have long supplied the world with its oil because of their natural resources, not their history.

SOURCE: EC:115 Describe the impact of a country's history on world trade

SOURCE: Kellogg Insight. (2019, May 10). *Cultures of trust*. Retrieved October 17, 2022, from http://insight.kellogg.northwestern.edu/article/cultures_of_trust

24. C

Lower occupancy rates. During an economic recession, consumers and businesses spend less money. When spending decreases, fewer people travel for leisure or business purposes, which results in unsold hotel rooms. When hotel rooms are not sold, the facilities' occupancy rates decrease. When occupancy rates decrease, hotels tend to lay off employees to lower their labor costs, which results in an increase in the unemployment rate in the community. To reduce the risk of business closure and further economic turmoil, governments do not usually increase property taxes during a recession.

SOURCE: EC:136 Explain the relationship between the economy and hospitality and tourism

SOURCE: Acquisition International. (2020, August 10). *The economic impact of hotel development*. Retrieved October 6, 2022, from <https://www.acquisition-international.com/the-economic-impact-of-hotel-development>

25. D

It encourages questions and suggestions. Open, honest communication is called transparency. Transparency doesn't just go in one direction. Transparent people welcome questions and suggestions. Transparency allows for conflict, is consistent and ongoing, and gives people only the information that they need.

SOURCE: EI:129 Foster open, honest communication

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

26. A

Continuous improvement. Continuous improvement is an ongoing effort to improve products, services, or processes. The PDCA cycle is a commonly used tool for continuous improvement—it involves identifying opportunities and planning for change, implementing the change on a small scale, using data to analyze the results of the change, and finally implementing the change on a wider scale. Operational planning, employee relations, and managerial accounting are not business practices that describe Seth's job.

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

SOURCE: American Society for Quality. (2022). *Continuous improvement*. Retrieved October 17, 2022, from <http://asq.org/learn-about-quality/continuous-improvement/overview/overview.html>

27. B

Patent. A patent is legal protection of an invention or process granted by a government agency to its owners for a certain period of years. A trademark is legal protection granted by the government to the owner, usually a business, of a distinctive symbol, logo, mark, name, or motto. A copyright legally protects the originator of written, musical, or artistic works. A permit is a document that a government issues to a person, group, or business to conduct a specific activity for a certain time.

SOURCE: EN:013 Select strategies to protect intellectual property

SOURCE: World Intellectual Property Organization. (n.d.). *Patents*. Retrieved October 17, 2022, from <https://www.wipo.int/patents/en/>

28. D

An angel investor. Entrepreneurs who wish to maintain control of their business often avoid equity financing arrangements such as with an angel investor. When an investor or partner is personally invested in a business, they often expect to help manage the business to ensure the venture is successful. Peer-to-peer lending, a bank loan, and a family loan are all examples of debt financing. Since the money is to be repaid, there is little risk of losing control of the business.

SOURCE: EN:016 Select sources to finance venture creation/start-up

SOURCE: Kauffman Foundation. (2016, August 19). *The art of startup finance with Bill Reichert [Video]*. Retrieved October 17, 2022, from <https://www.entrepreneurship.org/learning-paths/the-art-of-startup-finance>

29. A

\$4,000. Liabilities are debts owed by the business. In this case, the business owes the \$4,000 it borrowed from the Fifth National Bank. The \$7,000 worth of inventory is an asset because it's owned by the business. The \$24,000 is the business's equity or net assets.

SOURCE: FI:085 Explain the concept of accounting

SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

30. C

Accounting equation. The basic accounting equation is assets = liabilities + owner's equity. These are the three sections in a balance sheet. For the balance sheet to balance, the amount in the asset section must equal the amount in the liabilities section plus the amount of owner's equity. The three sections of a balance sheet do not represent the basic bookkeeping system, the basic financial quota, or the basic investment plan.

SOURCE: FI:093 Explain the nature of balance sheets

SOURCE: LAP-FI-093—The Right Balance (The Nature of Balance Sheets)

31. D

\$1,000 net loss. To calculate the net income or net loss, subtract the cost of goods sold from the revenue to get the gross profit. In this case, \$68,000 - \$42,000 = \$26,000. Subtract the total operating expenses from the gross profit to get the net income or net loss for the coffee shop (\$26,000 - \$27,000 = - \$1,000). A net loss occurs when total expenses are greater than total revenue. Net income occurs when total revenue is greater than total expenses.

SOURCE: FI:094 Describe the nature of income statements

SOURCE: LAP-FI-094—Watch Your Bottom Line (Income Statements)

32. C

Specialized budgets that are generated by individual departments. A master budget is made up of information from specialized budgets that are generated by individual departments. Each specialized budget reflects the goals and activities for that particular area of the company. It's likely that the previous year's budget is taken into consideration, but not simply by adding 10% to its amounts. Internal sales forecasts are part of the sales budget, not a direct component of the master budget. Level of competition is not a direct factor in the master budget. Top management does not determine the content of specialized budgets.

SOURCE: FI:106 Describe the nature of budgets

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

33. B

Credit analyst. There are many types of careers in corporate finance. A credit analyst is an example of a job in corporate finance. Accountants, salespeople, and product managers are not roles that fall under corporate finance.

SOURCE: FI:354 Explain the role of finance in business

SOURCE: LAP-FI-354—Money Matters (Role of Finance)

34. A

Ethical. When a company considers the impact that its decisions have on other individuals, it is behaving ethically. Behaving ethically typically enhances a company's reputation. A decision that is legal may not be ethical. For example, it is legal in many situations to fire at will, but firing employees at will is not necessarily ethical depending on the circumstances. Planning its decisions or basing them on research does not ensure that a company will protect others or enhance its reputation.

SOURCE: FI:355 Discuss the role of ethics in finance

SOURCE: Beers, B. (2022, March 28). *Ethics in finance: How it affects professionals*. Retrieved October 17, 2022, from <https://www.investopedia.com/articles/financialcareers/09/professional-standards-ethics.asp>

35. A

They are subtracted from the total receipts to determine net intake. Voided and refunded transactions are subtracted, not added, from cash receipts to determine the amount of cash received—the net intake—at the end of each day. Voids and refunds are included in the total receipts for the day, so they must be subtracted to determine net intake, regardless of whether there is a cash shortage or not.

SOURCE: FI:396 Reconcile cash

SOURCE: University of Illinois. (2020, June 18). *10.2.5 Reconcile cash receipts daily*. Retrieved October 6, 2022, from <https://www.obfs.uillinois.edu/bfpp/section-10-cash-handling/reconcile-cash-receipts-daily>

36. D

1.67. Price-to-cash flow is a valuation ratio calculated by dividing the stock price of a company by its cash flow per share (price-to-cash flow = current stock price / cash flow per share). The price-to-cash flow ratio of a company can be compared with its competitors to see whether the company's stock is overpriced or underpriced. To calculate the Sun Valley Corporation's price-to-cash flow ratio, first calculate the cash flow per share by dividing total cash flow by the number of shares (\$15 million / \$1 million = \$15 per share). Then, divide the stock price by the cash flow per share to calculate the corporation's price-to-cash flow ratio (\$25 / \$15 = 1.67).

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Jan, O. (2019, May 31). *Price to cash flow ratio*. Retrieved October 6, 2022, from <https://xplained.com/293746/price-to-cash-flow>

37. A

Have a set structure for raises and bonuses. One way to make conversations about compensation straightforward and fair is to have a company-wide structure for raises and bonuses that is clearly laid out and explained. That way, employees know exactly what is expected of them and what they can do to raise their compensation levels. It is a good idea to stick to specific facts rather than using vague language. Removing emotion from the conversation is not necessarily possible, because people are bound to feel emotional when money is involved. Finally, keeping conversations one-on-one isn't necessarily a good idea, because having more people present can remove bias and keep managers accountable and fair.

SOURCE: HR:390 Discuss employee compensation

SOURCE: Yakowicz, W. (2014, April 10). *How to talk to your employees about compensation*. Retrieved October 17, 2022, from <https://www.inc.com/will-yakowicz/how-to-talk-to-your-employees-about-salary.html>

38. D

Go on strike. When employees feel that they deserve better economic conditions, such as higher wages, they can go on strike until they are given the opportunity to negotiate pay raises. However, employees cannot file a lawsuit unless they are being paid an illegal wage that was agreed upon in their contracts. Quitting their jobs will not necessarily help employees receive raises. Obtaining workers' compensation will not help employees receive raises and is not appropriate for this situation.

SOURCE: HR:452 Explain labor-relations issues

SOURCE: National Labor Relations Board. (n.d.). *The right to strike*. Retrieved October 6, 2022, from <https://www.nlr.gov/strikes>

39. A

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

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

SOURCE: Knowledge Sharing Toolkit. (2018). *Exit interviews*. Retrieved October 6, 2022, from <http://www.kstoolkit.org/Exit+Interviews>

40. B

Offering a play area for children while their parents shop. The FreshFast Grocery store sells products (groceries), but it also offers services that complement its products and improve the customer experience. These services can be used as a marketing tactic to attract customers. An example of service marketing for FreshFast Grocery could be offering a play area for children while their parents shop. A discount on cereal and grain products is not an example of service marketing; rather, it is a sales promotional tactic. Partnering with an organic farm does not provide a service to customers. Finally, airing a TV advertisement does not provide a service to customers.

SOURCE: MK:008 Differentiate between service marketing and product marketing

SOURCE: Reilly, S. (2022, August 17). *The difference between product marketing and service marketing*. Retrieved October 6, 2022, from <https://www.fiftyfiveandfive.com/difference-between-product-and-service-marketing>

41. B

Cultural influences. Cultural influences have the strongest effect on a consumer's buying behavior, even stronger than social influences, individual influences, or situational influences.

SOURCE: MK:014 Explain factors that influence customer/client/business buying behavior

SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)

42. C

Lifestyle and gender. The lodging facility is offering a product option that appeals to women (gender) who enjoy scrapbooking, which is a hobby or lifestyle choice. Segmenting a market by life cycle involves designing travel products to appeal to people in their various stages of life, such as retirees or young families. Geographic segmentation involves segmenting a market by physical location.

SOURCE: MP:035 Identify ways to segment hospitality and tourism markets

SOURCE: Qualtrics. (2022). *Market segmentation: Definition, types, benefits, & best practice*. Retrieved October 6, 2022, from <https://www.qualtrics.com/experience-management/brand/what-is-market-segmentation>

43. B

Store it in a secure place. Business contracts are important documents since they detail the conditions and terms of a legally binding contract. Employees should place contracts in a secure location so they can be accessed when needed and to prevent unauthorized individuals from gaining access to them. The client should be provided with their own copy. If Tara keeps the contract in her possession, she creates the risk of loss and makes the information unavailable to other employees or managers who may require the information. It is unethical and illegal to show a contract to coworkers or friends who do not have a valid reason to view it.

SOURCE: NF:001 Describe the nature of business records

SOURCE: LAP-NF-001—Record It (Business Records)

44. A

Can be forwarded to others. When employees write email messages to coworkers or customers, the recipients of the messages can forward them to others without the sender's knowledge or permission. Therefore, employees should be cautious about the content of email messages because they have no control over what the recipients do with the emails. It is best not to include personal or sensitive information in emails, particularly if the sender wants the information to remain private. Email messages are not private conversations, do not take a long time to prepare, and are not considered formal correspondence.

SOURCE: NF:004 Demonstrate basic e-mail functions

SOURCE: Herrity, J. (2022, July 8). *16 best practices for email etiquette in the workplace*. Retrieved October 6, 2022, from <https://www.indeed.com/career-advice/career-development/email-etiquette>

45. B

To organize vendor information. Businesses often use database software programs to organize and analyze various types of information. For example, a business might organize information about its vendors according to name, location, type of product, selling price, or reliability. Spreadsheet software programs may be used to calculate weekly payroll. Graphics software programs may be used to diagram work schedules. Desktop publishing programs may be used to prepare promotional material.

SOURCE: NF:009 Demonstrate basic database applications

SOURCE: Chapple, M. (2021, October 21). *Databases for beginners*. Retrieved October 6, 2022, from <https://www.lifewire.com/databases-for-beginners-1019643>

46. C

Hyperlinks. A hyperlink is a component of an electronic document that can be clicked on to jump to another place within the document or into a different document. By linking the inn's website with the website of area attractions, the site visitor can immediately go to an attraction's website to obtain further information such as location, hours, services, etc. A portal is a popular starting point for surfing online (e.g., Yahoo!). Cookies are text files that are put on a website visitor's hard disk and then later retrieved during subsequent visits to the site to track internet behavior. A site map is a flowchart that puts information on the web in a logical format, so that internet users can find what they are looking for.

SOURCE: NF:042 Create and post basic web page

SOURCE: Mineo, G. (2022, August 25). *How to create a link to jump to a specific part of a page [quick tip]*. Retrieved October 6, 2022, from <https://blog.hubspot.com/marketing/jump-link-same-page>

47. B

Adventure. The hospitality industry is developing ways to accommodate niche markets. Trends indicate that many niche markets are growing. Some of these markets include the baby boomers, health-conscious people, and adventure travelers. Adventure travelers include people who enjoy nature and often enjoy taking risks. Adventure travelers enjoy activities such as skydiving, mountain biking, and race car driving. Geotourism (or environmental tourism) refers to a market that is interested in unique or threatened outdoor environments, such as the rainforest. Agriculture enthusiasts are members of a niche market called the agritourists and often visit working farms.

SOURCE: NF:048 Describe current issues and trends in the hospitality and tourism industry

SOURCE: Grand View Research, Inc. (2022, July 25). *Adventure tourism market size worth \$1.009 trillion by 2030: Grand View Research, Inc.* Retrieved October 11, 2022, from <https://www.prnewswire.com/news-releases/adventure-tourism-market-size-worth-1-009-trillion-by-2030-grand-view-research-inc-301592279.html>

48. D

Technology. The technology that allowed for the creation of the internet makes it possible for customers to buy travel products directly from suppliers rather than using the services of travel agents. Anyone with a computer and access to the internet can go online to obtain information about airline flights, cruises, hotel accommodations, etc., and buy those products online from the supplier. For example, a customer can access the home page of American Airlines, select a flight, book the flight, pay for the flight, and download a boarding pass. This eliminates the middleman, or the travel agent, and allows customers to buy directly from suppliers. Deregulation, commercialization, and information do not enable customers to bypass travel agents.

SOURCE: NF:060 Explain ways that technology impacts the hospitality and tourism industry

SOURCE: Oakley, R. (n.d.). *The advantage of online reservations*. Retrieved October 6, 2022, from <https://traveltips.usatoday.com/advantages-online-reservations-63078.html>

49. A

Flash drive. A flash drive is a small device that plugs into a computer's USB port and allows users to transfer, store, and retrieve information from the computer's hard drive onto the device. The user can plug the information into other computers to retrieve the information when needed. Portable chargers, audio recorders, and computer batteries are not devices that allow businesspeople to store and retrieve electronic documents from a computer.

SOURCE: NF:081 Store information for future use

SOURCE: Alexander, P. (2022). *Choosing the best data storage solution*. Retrieved October 6, 2022, from <https://www.entrepreneur.com/science-technology/data-storage-solutions-for-your-business/172226>

50. D

Implementing self-service check-in options. Many lodging facilities have implemented self-service check-in and check-out options. These options often save time for the guests because they do not need to wait in long lines for an employee's assistance. It also reduces payroll expense for the lodging facilities because they do not need to pay staff to perform these types of duties. Offering valet parking services, requiring guests to pay for access to the facility's internet service, and encouraging guests to order room service for meals are not automated activities.

SOURCE: NF:106 Use software to automate services

SOURCE: Lacalle, E. (2022, April 27). *The best self-service kiosk software for hotels*. Retrieved October 6, 2022, from <https://www.mews.com/en/blog/best-selfservice-kiosks-for-hotels>

51. C

Subset. A subset is part of a whole. In the example, leisure travelers are part (31%) of the airline's entire (or whole) market, which makes leisure travelers a subset. A sample is a representative group of consumers for surveying purposes. A framework refers to the structure or foundation of something. Consensus is a decision-making outcome that requires the substantial agreement of each group member.

SOURCE: NF:185 Use database for information analysis

SOURCE: Stat trek. (2022). *Sets and subsets*. Retrieved October 11, 2022, from <https://stattrek.com/probability/set-and-subset>

52. A

The ability to better understand customer behavior. Insight into customer behavior is one of the most valuable benefits of big data. Hospitality and tourism companies can use big data to analyze how customers interact with their brands and use their services, helping the companies better understand what makes customers happy. For example, a hotel company could analyze customer data to determine if a certain individual is likely to take advantage of spa services or not. Using that information, the company could then tailor its communications to the customer's preferences. Enhancing company image, outperforming competing hotels, and selling more expensive hotel rooms may be peripheral goals of analyzing big data, but not primary goals.

SOURCE: NF:205 Use analytical tracking tools

SOURCE: Marr, B. (2016, January 26). *How big data and analytics are changing hotels and the hospitality industry*. Retrieved October 6, 2022, from <https://www.forbes.com/sites/bernardmarr/2016/01/26/how-big-data-and-analytics-changing-hotels-and-the-hospitality-industry>

53. A

They know exactly what is expected of them. When managers organize, employees should have a strong sense of what their job includes and what is expected of them. They can feel comfortable coming into work knowing what they need to do. An organized company provides a better work environment and makes employees feel more positive about their jobs. While organizing means that employees are less likely to duplicate work and that employees know how their work supports company goals, these are not directly related to employees' sense of security. Organizing does not mean that employees do not have to report to anyone.

SOURCE: SM:064 Explain managerial considerations in organizing

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

54. A

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

SOURCE: NF:282 Explain types of primary hospitality and tourism market information

SOURCE: Destination BC. (2015). *Research guide for tourism operators*. Retrieved October 6, 2022, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>

55. A

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

SOURCE: NF:283 Describe methods used to collect hospitality and tourism business information (e.g., observations, mail, telephone, Internet, discussion groups, interviews)

SOURCE: OpenKey. (2018, February 8). *How to capture more hotel guest data*. Retrieved October 6, 2022, from <https://www.openkey.co/2018/02/08/how-to-capture-more-hotel-guest-data>

56. A

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

SOURCE: NF:287 Track environmental changes that impact hospitality and tourism (e.g., technological changes, guest trends, economic changes, regulatory changes)

SOURCE: Revfine.com. (2022). *Tourism trends: The latest opportunities for the tourism industry*. Retrieved October 6, 2022, from <https://www.revfine.com/tourism-trends>

57. A

Write an exploratory report. Exploratory reports present facts so readers can understand an issue or situation. They are useful when explaining concepts or results. The general manager wants to know information about recent technological changes, so a written informational report would be appropriate. The general manager has not asked for a recommendation, so the IT director should not make one. Purchasing new software is not the most effective way to teach the general manager about recent technological changes. Finally, the general manager has not requested analytical data, because they have not asked for the reasons why or how the technological changes have occurred.

SOURCE: NF:292 Prepare written reports for hospitality and tourism decision-making

SOURCE: Purdue OWL. (2019). *Introductions, body paragraphs, and conclusions for exploratory essays*. Retrieved October 17, 2022, from https://owl.purdue.edu/owl/general_writing/common_writing_assignments/exploratory_papers/index.html

58. D

Describe the purpose of the report. Leo's report is important for the general manager because it will provide them with the information they need to make a decision on how to deal with the budgetary issues. The report should first include an introduction, where Leo can state the purpose of the report and describe the budgetary issues. Next, Leo should work on the body of the report, which will include facts, statistics, and other relevant information. This is followed by a conclusion, which provides a short summary of the report and reinforces the message. After writing the report, Leo should proofread and edit it. A short report typically does not include formal plans to correct issues. That step will likely occur after Leo submits his report to the general manager.

SOURCE: NF:292 Prepare written reports for hospitality and tourism decision-making

SOURCE: Thompson, J. (2019, January 22). *How to write a report for the boss*. Retrieved October 6, 2022, from <https://bizfluent.com/how-7883364-write-report-boss.html>

59. B

Mobile technology. Mobile technology (smartphones and other mobile smart devices) has impacted every aspect of the hospitality and tourism industry. Customers now expect to be able to find and book hotel rooms, view accommodation photos, check in to their destinations, compare prices, and more—all from their devices. One way that hospitality companies have responded to this growing trend is by offering more robust smartphone apps. Many hotels now offer apps that provide most of the same benefits of the traditional website, including tours of hotel rooms, price comparison tools, reviews, and check-in/check-out services. This example best demonstrates the impact of mobile technology on the hospitality and tourism industry, not customer feedback, changing travel habits, or social media influencers.

SOURCE: NF:313 Describe the impact of mobile technology on the hospitality and tourism industry

SOURCE: Kumari, V. (2020, June 7). *How mobile technology is changing the hospitality industry*. Retrieved October 6, 2022, from <https://www.guytech.com/blog/mobile-technology-changing-hospitality-industry>

60. C

Leadership. One of the most important skills for a project manager to possess is the ability to guide or direct the actions of others in a desired manner. One of the main roles of a project manager is to lead the group to achieve the project's goal. Members follow an effective leader because the leader motivates them and includes them in making decisions. Education is not a skill. Integrity is a personal quality rather than a skill. Strength is a physical attribute.

SOURCE: OP:002 Apply project-management tools to monitor and communicate project progress

SOURCE: Mind Tools. (2022). *How good are your project management skills?* Retrieved October 6, 2022, from https://www.mindtools.com/pages/article/newPPM_60.htm

61. D

Padding an expense account. Employee pilferage involves the taking of small amounts or small articles without the consent of the company. That is what occurs when an employee pads their expense account. Having authorization to change the amount specified on a check is not pilferage. Installing personally owned software on your computer may violate company policies; however, it does not represent employee pilferage. Hacking into a competitor's computer network to obtain trade secrets is a computer crime, rather than pilferage.

SOURCE: OP:013 Explain routine security precautions

SOURCE: Picincu, A. (2020, July 17). *5 most common ways employee theft occurs*. Retrieved October 6, 2022, from <https://smallbusiness.chron.com/5-common-ways-employee-theft-occurs-41183.html>

62. C

Contribute to expense control. Employees can help keep expenses down by respecting company property and paying for whatever they use or take. Simon's behavior is an example of how employees can contribute to expense control—not act as salespeople, be punished for breaking the rules, or increase expenses for the company.

SOURCE: OP:025 Explain employee's role in expense control

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

63. D

Locking particular doors after certain hours. By locking doors after certain hours, a hotel can limit access to the facility. For example, a hotel might provide its guests and employees with an access code to get into the main lobby from outdoors at nighttime. Hotels do not provide vendors with electronic key cards. It would be very expensive to change traditional locks every week. A hotel enacts a lockout by preventing a guest from entering their room when the guest does not pay the bill, exhibits unsafe behavior, etc.

SOURCE: OP:115 Explain security considerations in the hospitality and tourism industry

SOURCE: Reynolds, J.S., & Chase, D.M. (2014). *Hospitality services* (3rd ed.) [pp. 243-244]. Tinley Park, IL: The Goodheart-Willcox Co.

64. B

Medical kit and cell phone. Medical kits should contain items needed to initiate emergency care (e.g., a splint). Depending on the location of the accident and the extent of the injury, a cell phone would be useful to call for additional help and transportation of the injured party. A toolbox, flashlight, map, and compass may be helpful but are not the primary items needed for the described situation. Most first-aid or medical kits include nonprescription pain relievers and allergy medication, but allergy medication isn't likely to be useful when treating a broken ankle.

SOURCE: OP:119 Handle emergency situations in hospitality and tourism

SOURCE: Brouhard, R. (2021, August 19). *Building and storing first aid kits: What should you keep in your first aid kit?* Retrieved October 6, 2022, from <https://www.verywellhealth.com/first-aid-kits-1298537>

65. D

Reduce costs. It is often more costly not to provide quality than to use methods to increase quality. If businesses develop a reputation of providing low quality goods and services, they may lose customers, which is costly. Therefore, it is to the business's advantage to use quality control methods so the work will be done correctly rather than spend money to correct mistakes, handle customer complaints, and find new customers. Using quality control methods involves time, but it is time well spent to reduce the cost of correcting mistakes. Using quality control methods usually decreases waste. Some quality control methods might require directions, which could be a disadvantage.

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: Netamorphosis. (2022). *Quality control methods*. Retrieved October 11, 2022, from <https://netamorphosis.com/insights/glossary/quality-control-methods>

66. A

Being proactive when carrying out quality control processes. Being proactive means developing the skills necessary to be able to respond to unforeseen circumstances—as well as taking the initiative to prevent negative outcomes. By running tests to make sure that his equipment is in working order, Bryant is being proactive instead of reactive. Being reactive means simply allowing events to take place and responding to them as they occur. Being reactive often results in negative outcomes for companies because they are not prepared to handle unexpected situations. This example does not demonstrate the use of quality control methods to decrease production. Quality control is generally used to *increase* production, not decrease it. This example does not demonstrate the use of quality control methods to minimize waste and clutter.

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: Withaar, L. (2019, July 19). *Being proactive vs. reactive*. Retrieved October 17, 2022, from <https://yourbusiness.azcentral.com/being-proactive-vs-reactive-10356.html>

67. A

Are legal documents. An invoice is the formal, printed record of a sale that includes all necessary information of a sales transaction—the buyer, the seller, items purchased, quantities, prices, delivery date, credit, discount terms, etc. The invoice serves as a legal document or formal agreement in which one party takes possession of goods or services in exchange for payment within a certain time period. Transportation companies provide proof-of-delivery signatures. Legal tender is a medium of payment—check, credit card, cash, etc. Invoices do not serve as registration slips.

SOURCE: OP:184 Track invoices

SOURCE: Pollick, M. (2022, September 2). *What is an invoice?* Retrieved October 6, 2022, from <https://www.smartcapitalmind.com/what-is-an-invoice.htm>

68. A

Cell phone. A cell phone is an example of company equipment that may be approved for personal use by employees. If an employee carries a company phone, it's likely that they will want to use it for personal calls as well—or to check their email, look up directions, etc. Raw materials, office furniture, and a tractor are all examples of company equipment that would likely not be approved for personal use.

SOURCE: OP:190 Discuss the role of ethics in operations

SOURCE: LAP-OP-190—Above Board (Ethics in Operations)

69. A

Special order. A special order is a request for a custom product or an item that a vendor does not normally stock. A blanket order is an order that covers all or part of a business's product requirements for a certain period of time. An open order is placed with one of several available vendors who can meet the business's immediate requirements (e.g., time, price, quantity). A reorder is an order for the same goods previously ordered from the same vendor.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Bragg, S. (2022, May 10). *Special order definition*. Retrieved October 6, 2022, from <https://www.accountingtools.com/articles/special-order>

70. B

Computers, tape, and soap. Finished-goods inventory contains products that are ready to be marketed. Computers, tape, soap, automobiles, bleach, magazines, and some types of hardware are examples of finished goods. Coal, crude oil, and minerals (e.g., graphite) are examples of raw materials that are used to make a variety of items.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Bragg, S. (2022, July 8). *Finished goods inventory definition*. Retrieved October 6, 2022, from <https://www.accountingtools.com/articles/finished-goods-inventory>

71. D

Collect as little data as possible. One way that businesses can prevent large-scale breaches of customer data is to collect as little data as possible. If the business only collects the data that is necessary, rather than keeping a large amount of extraneous personal information, it will be less vulnerable. Sharing data with all employees increases the risk that customer data will be compromised. Storing data indefinitely also increases the risk of a data breach. Reporting data security issues is good practice, but it will not necessarily prevent data breaches in the first place.

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

SOURCE: Podnar, K. (2017, September 13). *How to protect customer data—and your company*. Retrieved October 6, 2022, from <https://contentmarketinginstitute.com/articles/digital-integrity-matters>

72. C

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

SOURCE: OP:522 Explain the nature and scope of distribution

SOURCE: SiteMinder. (2022). *Hotel distribution: Mastering the concepts and undertaking best practice*. Retrieved October 6, 2022, from <https://www.siteminder.com/r/hotel-distribution-concepts-best-practice>

73. B

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

SOURCE: OP:658 Identify environmental sustainability issues in hospitality and tourism

SOURCE: Hard, R. (2019, November 6). *The most common eco-friendly hotel initiatives*. Retrieved October 6, 2022, from <https://www.liveabout.com/sustainability-and-eco-friendly-hotel-initiatives-1223545>

74. C

Stakeholder management. Stakeholder management involves overseeing the communications and expectations of all project stakeholders. Ethical communication includes being open, honest, and discerning when deciding what to share and how to say it. Project quality is a measure of excellence and involves how well you have accomplished project work. Scope management involves ensuring that a project stays within its defined boundaries and achieves all that it sets out to achieve. Open and honest communication is not necessarily related to the project's budget.

SOURCE: OP:675 Describe the role of ethics in project management

SOURCE: LAP-OP-675—Projects With Principles (Ethics in Project Management)

75. C

Services. Pricing would be a relatively simple process if marketers had to consider only the cost of the physical product when setting prices; however, they must actually price the physical product and its associated services, such as credit, delivery, etc. Features are the physical characteristics of a product. Value is the amount of satisfaction a product will provide the customer.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

76. C

\$136.80. Series discounts are two or more discount percentages quoted in succession. The discounts are not added together but calculated separately ($\$200 \times 20\%$ or $.20 = \$40$; $\$200 - \$40 = \$160$; $\$160 \times 10\%$ or $.10 = \$16$; $\$160 - \$16 = \$144$; $\$144 \times 5\%$ or $.05 = \$7.20$; $\$144 - 7.20 = \136.80).

SOURCE: PI:022 Determine discounts and allowances that can be used to adjust base prices

SOURCE: KnowThis. (2022, October 17). *Price adjustments: Quantity discounts*. Retrieved October 17, 2022, from <http://www.knowthis.com/principles-of-marketing-tutorials/setting-price-part-2/price-adjustments-quantity-discounts/>

77. C

Maturity. A product life cycle is the course that a product follows in the market. It includes the stages of introduction, growth, maturity, and decline. Introduction is the stage of the product life cycle when the product first appears in the marketplace. Growth is the stage in the product life cycle in which sales rise rapidly. Maturity is the stage in the product life cycle in which sales peak and then increase at a slower rate or start to decline. Decline is the final stage of the product life cycle. During this stage, sales and profits fall rapidly. Birth, adolescence, and death are stages of the human life cycle.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

78. D

To make changes to extend a product's life cycle. Product/Service management continues even after a product is established in the market. By monitoring existing products, product/service managers may decide to leave everything about the product as it is, change the marketing strategy, modify the product in some way, such as adding new features, find new uses or users for the product, or eliminate it. Putting a marketing plan into place, determining the acceptance of a product by a limited market, and evaluating how well a product might fit into a company's product mix are all aspects of new-product development.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

79. C

Deep. Depth refers to the assortment of sizes, colors, flavors, and models offered in the product lines. A deep product mix offers significant variation of its products, while a shallow product mix offers few variations within the product line. Narrow and broad are terms that refer to a product mix's width.

SOURCE: PM:003 Explain the concept of product mix

SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)

80. A

Bottle of conditioner. Product bundling involves combining two or more complementary products and selling them for one all-inclusive price. The price of the bundled products is usually lower than the combined price of the products sold separately. Often, the goal is to get customers to try a product that they might not have considered purchasing. Once the customers have tried it and liked the product, companies hope that customers will purchase the goods or services at another time. It would be most appropriate to bundle a bottle of shampoo with a bottle of conditioner because they are both hair products. A bottle of hand lotion, a bar of soap, and a tube of toothpaste are not complementary products of shampoo.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Gleason, D. (2022, August 29). *Product bundling strategy: How to get it right*. Retrieved October 6, 2022, from <https://cxl.com/blog/product-bundling>

81. D

Needs of the target market. A product extension is an additional product, related to but different than, the main travel product. Before developing product extensions, it is important to consider the wants and needs of the target market. If the target market is not interested in the product extension, there is no reason to develop it. For example, a discount airline that provides inexpensive flights to regional airports probably would not sell expensive, full-course meals to passengers. The meals would be a product extension of the main travel product, which is air transportation. However, the target market, which is travelers who want economical air transportation, would not want or need the expensive meals. The cost of advertising new ideas, attitudes of industry employees, and complexity of the purchasing process are not considerations when developing product extensions in the travel and tourism industry.

SOURCE: PM:099 Explain the nature of product extensions in the hospitality and tourism industry

SOURCE: Harvey, S. (2022). *Stretching success: Do you need a brand extension strategy?* Retrieved October 6, 2022, from <https://fabrikbrands.com/brand-extension-strategy>

82. D

Design. A brand identity consists of those elements that are instantly recognized as representing a particular business or product, including logos, colors, names, images/graphics, and design. Values, promises, and personality are important parts of the corporate brand, but they are not elements of a company's brand identity.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: LAP-PM-206—Corporate Identity (Nature of Corporate Branding)

83. D

Its unique historical attributes. Long Beach marketers communicate the ship's rich history to attract lodging guests and visitors. The ship is stationary, so it does not offer tropical excursions. There is not enough information to determine if the Queen Mary offers gaming and entertainment attractions or the level of customer service the ship provides.

SOURCE: PM:246 Identify product's/service's competitive advantage

SOURCE: The Queen Mary. (2022). *The Queen Mary timeline*. Retrieved October 6, 2022, from <https://queenmary.com/history/timeline/the-creative-years>

84. D

Playing follow the leader. Competing businesses within the same industry usually use quite similar promotional mixes because many of the factors affecting the promotional mix are the same for those businesses. Businesses also use the same promotional activities to prevent losing customers to competitors. Changing the distribution channel would not necessarily make the business more competitive. Reducing the promotional budget or trying not to outdo the competition would make the business less competitive.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-903—Spread the Word (Nature of the Promotional Mix)

85. B

To sell travel arrangements to prospective clients. Individuals who see an interesting brochure in a rack of tourism literature may not only pick it up for further examination but decide to purchase tickets for a trip, a tour, or a cruise. In many cases, the clients might not have thought of visiting a particular destination on their own. Travel brochures are colorful and attractive, but their ultimate purpose is to sell trips. Most tourism literature provides an overview of an area rather than in-depth information. The business should not use literature to avoid answering questions but to stimulate them.

SOURCE: PR:082 Explain promotional methods used by the hospitality and tourism industry

SOURCE: Morello, R. (2019, March 5). *Tourism promotion and marketing*. Retrieved October 17, 2022, from <https://smallbusiness.chron.com/tourism-promotion-marketing-57157.html>

86. D

Sweepstakes. A sweepstake is a promotional method that involves a chance of winning a prize. Entering a sweepstake usually involves filling out a form and sending it to the cruise line. This is an effective way for a cruise line to promote a new cruise because many potential customers will read about the sweepstake and be encouraged to enter. Even if they do not win, they might be interested enough to book the cruise. In addition, the cruise line will obtain the names and addresses of a large group of people who enter the sweepstake. The cruise line can then send these people more promotional information in the future. Coupons, premiums, and rebates are promotional methods, but they are not methods that a cruise line would use to generate widespread interest in a new cruise.

SOURCE: PR:082 Explain promotional methods used by the hospitality and tourism industry

SOURCE: Morello, R. (2019, March 5). *Tourism promotion and marketing*. Retrieved October 6, 2022, from <https://smallbusiness.chron.com/tourism-promotion-marketing-57157.html>

87. B

Increased consistency. Increased consistency is a potential benefit of an organization's implementation of quality management. With quality-assurance plans in place, products should be more uniform and consistent. Quality management should increase a unified organizational vision, but it does not necessarily keep it from changing over time. It will not necessarily mean that the company pays lower taxes. Increased costs are a disadvantage, not a benefit.

SOURCE: QM:001 Explain the nature of quality management

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

88. B

Pay attention to nonverbal communication. Being open and honest isn't just about talking—it's also about actually listening to what other people have to say. This means paying close attention when a friend is confiding in you about a problem or when a coworker is detailing the struggles they're having with a project. Listening to other people's words isn't enough—you also need to notice their nonverbal communication (communication that uses body language instead of words or to support words). Being accountable for mistakes and giving other people constructive feedback are not part of listening. Ignoring others' body language is not demonstrating good listening skills.

SOURCE: EI:129 Foster open, honest communication

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

89. A

Accurate financial records. Many internal and external factors affect the business's level of risk—the possibility of financial loss. To remain viable in the marketplace, a business must take steps to minimize risk. One internal control that businesses use to minimize risk is to maintain accurate financial records. Businesses must comply with government regulations (e.g., pay taxes). If the business fails to comply with the regulations, it could be subject to penalties and fines that can be very costly to the business. By maintaining accurate financial records, businesses can minimize these types of risks. If the business orders too much inventory, it risks financial loss on the products that it cannot move. If the business implements lenient credit policies, it increases risks associated with delinquent and nonpaying customers. Substandard equipment may be prone to malfunctioning and may be hazardous for employees, which increases the business's risk levels.

SOURCE: RM:058 Discuss the nature of risk control (i.e., internal and external)

SOURCE: Internal Revenue Service. (2019, June 3). *Why should I keep records?* Retrieved October 17, 2022, from <https://www.irs.gov/businesses/small-businesses-self-employed/why-should-i-keep-records>

90. B

Business failure. While many risks that business face are insurable—including property damage, employee health, and customer injury—uninsurable risks also exist. Most reputational risks, regulatory risks, trade secret risks, political risks, and pandemic risks are uninsurable, as is the risk of business failure. There is no insurance available to protect your business against bankruptcy; however, there is insurance available to cover financial losses (caused by customer injuries, product recalls, etc.) that might lead to business failure and bankruptcy.

SOURCE: RM:062 Discuss the nature of enterprise risk management (ERM)

SOURCE: Kagan, J. (2021, October 26). *Uninsurable risk*. Retrieved October 6, 2022, from <https://www.investopedia.com/terms/u/uninsurable-risk.asp>

91. C

Selling. Selling is determining customer needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Carlos is, therefore, engaged in selling. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services. Distribution involves moving, storing, locating, and/or transferring ownership of goods or services. Financing is a marketing function that involves understanding the financial concepts used in making business decisions.

SOURCE: SE:017 Explain the nature and scope of the selling function

SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)

92. B

Confidence. Using a step-by-step selling process helps salespeople remain organized, gaining customer confidence. Customer confidence can in turn lead to closed sales. A salesperson's organization may or may not earn customer praise, referrals, or admiration.

SOURCE: SE:048 Explain the selling process

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

93. A

Read. Most salespeople regularly read the company's promotional materials to obtain useful selling information. They read advertisements to obtain information about the features and benefits of current products being promoted. They also read promotional brochures and direct-mail pieces to gather important information that they can use to sell the products to customers. Salespeople do not copy or write the company's promotional materials. They are not expected to buy the promotional materials which are available at no cost.

SOURCE: SE:062 Acquire product information for use in selling

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

94. D

\$9.53. Because the special involves only the dinner entrees, add together the prices of the steak dinners and the shrimp dinner ($\$22.50 + \$22.50 + \$18.50 = \63.50). Then, multiply the total price of all the entrees by the discount percentage amount to obtain the discount amount in dollars ($\$63.50 \times 15\%$ or $.15 = \$9.53$).

SOURCE: SE:149 Process complimentary offers and coupons/discounts

SOURCE: Pal, T., Mucha, M., & Pamula, H. (2022, August 8). *Discount calculator*. Retrieved October 6, 2022, from <https://www.omnicalculator.com/finance/discount>

95. D

Comfort. Some people prefer traveling to familiar places, which in turn, provides comfort. Adventure seekers tend to enjoy visiting different locations and participating in a variety of activities. The situation does not provide enough information to determine if price or prestige play a role in the travel motives or decisions.

SOURCE: SE:220 Explain factors that motivate people to choose a hospitality and tourism site

SOURCE: Kolter, P., Bowen, J.T., Makens, J.C., & Baloglu, S. (2017). *Marketing for hospitality and tourism* (7th ed.) [pp. 164-170]. Boston, MA: Pearson Education, Inc.

96. C

Business. Business travelers generally meet with associates or clients. Many times, the businessperson makes presentations or provides handouts in meetings. Advising the guest that there is a photocopy center on the hotel premises might save the guest time and money if copying services are needed; the guest doesn't have to find a copy center or pay for delivery service. Leisure guests are generally vacationing and do not usually require photocopy services. Incentive travelers are guests that have received a reward for some work-related performance. This is a vacation for this type of traveler who would not likely need copy center services. There is not a definition for a social guest or traveler in the hospitality industry.

SOURCE: SE:221 Recommend hospitality and tourism services

SOURCE: Indeed. (2021, August 23). *What is hotel management? Definition and duties*. Retrieved October 17, 2022, from <https://www.indeed.com/career-advice/finding-a-job/hotel-management>

97. A

Special. A special order is a request for a custom product or a product that the property does not normally have on hand. A blanket order is an order that covers all or part of a retailer's seasonal requirements. A standing order is an order that involves sending specific products at set intervals. 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). Blanket orders typically are placed several months before the season and do not contain detailed specifications or shipping dates.

SOURCE: SE:478 Process special orders in hospitality and tourism

SOURCE: Gordon, J. (2019, January 11). *How to determine whether or not to accept a special order in accounting*. Retrieved October 6, 2022, from <https://smallbusiness.chron.com/determine-whether-not-accept-special-order-accounting-81542.html>

98. A

Assigning responsibility. Organizing is the management function of setting up the way the business's work will be done. Assigning responsibility (establishing levels of authority) is an organizing activity. Hiring talented workers is a staffing activity. Evaluating job performance is a controlling activity. Management can monitor and adapt to external conditions but cannot control them.

SOURCE: SM:064 Explain managerial considerations in organizing

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

99. B

What time they need to staff more employees. Descriptive statistics such as mean (average) can be interpreted to aid in business decision-making. In this instance, the mean number of customers can help the manager interpret when they need to staff more employees. For example, if the mean is highest between 6-9 a.m., they can decide to have two extra employees come in during that 3-hour window. The mean number of customers would not necessarily help the manager interpret which products are the most profitable, which employees are the most successful, or how customer satisfaction relates to time.

SOURCE: NF:237 Interpret descriptive statistics for business decision making

SOURCE: Salleh, S. (2018, April 5). *The importance of statistics in management decision making*. Retrieved October 6, 2022, from <https://yourbusiness.azcentral.com/importance-statistics-management-decision-making-25518.html>

100. C

The reason you do the things you do. Motivation is the process of getting employees to strive to achieve management's objectives because they want to achieve them. Your motivation is the reason you do the things you do, in your personal life and in the workplace. Motivation is not necessarily developing a team spirit, communication between employees, or the example managers set for employees.

SOURCE: SM:066 Discuss managerial considerations in directing

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