THE BUSINESS ADMINISTRATION CORE EXAM IS USED IN THE FOLLOWING EVENTS:

PRINCIPLES OF BUSINESS MANAGEMENT AND ADMINISTRATION PBM

PRINCIPLES OF FINANCE PFN

PRINCIPLES OF HOSPITALITY AND TOURISM PHT

PRINCIPLES OF MARKETING PMK
1. While Sebastian is presenting his status report during a staff meeting, Danielle has a question about something he says. What should Danielle do?
   A. Interrupt Sebastian so she can ask her question right away
   B. Wait to see if another participant has the same question
   C. Wait until the next meeting to ask her question
   D. Ask the question after Sebastian has finished speaking

2. Which of the following is a disadvantage of investing in bonds:
   A. They are issued by corporations or governments.
   B. You must pay a penalty for early withdrawal.
   C. They may take a long time to provide a return.
   D. Their returns do not keep up with inflation.

3. Which of the following is a potential risk involved with information management:
   A. Higher interest rates
   B. Increased use of outsourcing
   C. Privacy and security issues
   D. Increased competition

4. Why is it often necessary for employees to continue their education after working for several years?
   A. To serve an apprenticeship
   B. To attend college
   C. To change careers
   D. To take online classes

5. Arnie needs to buy printer toner and copy paper from the company's office-supply vendor. What is the first step that Arnie should take?
   A. Prepare a purchase order
   B. Complete an expense form
   C. Request an invoice
   D. Submit a receipt

6. Constructive criticism is advice that is
   A. irrelevant and not intended to be taken seriously.
   B. useful and intended to improve something.
   C. personally offensive and usually uncalled for.
   D. critical and intended to hurt someone's feelings.

7. Which of the following is an example of informal workplace communication:
   A. A project manager develops a production schedule to distribute to the project team.
   B. Two coworkers share their opinions about a new work project during a coffee break.
   C. A human resources manager conducts a training session for new employees.
   D. The president of the Cantrell Corporation announces expansion plans in a press release.
8. Having a victim mentality means you believe
   A. you are responsible for your decisions and actions.
   B. everyone is a victim in one way or another.
   C. you are controlled by the people and situations around you.
   D. it is easy to get along with other people.

9. Kara has natural artistic talent and thinks that she might want to work as an interior designer. Kara's artistic ability is an example of a(n)
   A. hobby.
   B. mindset.
   C. aptitude.
   D. vision.

10. Which of the following is an example of a complimentary close:
    A. Enclosure
    B. Yours truly
    C. Dear Occupant
    D. To Whom It May Concern

11. Kinan's identity was stolen, and he needs to dispute an inaccuracy in his credit report data. He should reach out to __________ to have the mistake corrected.
    A. the IFRS
    B. his financial advisor
    C. the credit bureau
    D. the police

12. Which of the following is an example of a law:
    A. You must wait in line to check out at the grocery store.
    B. You must follow the speed limit while driving.
    C. Your school's dress code does not allow sleeveless tops.
    D. You cannot use profane language at school.

13. As a team member, should you try to encourage others on the team?
    A. No, this isn't part of your role as a team member.
    B. No, management should encourage the team members.
    C. Yes, this will help your fellow team members.
    D. Yes, share praise you receive for your own work.

14. Which of the following is true about listening:
    A. Passive listening is best for complex messages.
    B. Listening occurs automatically.
    C. Listening requires effort.
    D. Hearing and listening are the same thing.
15. The major reason people fail to reach their goals is that they
   A. have a positive attitude.
   B. want the goal sincerely.
   C. are too enthusiastic.
   D. give up too soon.

16. What is the first step to monitoring projects?
   A. Gathering data using appropriate tools
   B. Making changes and corrections
   C. Deciding what to monitor and who will monitor it
   D. Communicating changes to stakeholders

17. Bill, Tara, and Lauren work for a small manufacturing firm that produces designer jeans. Bill is the fabric buyer; Tara buys the small items needed to construct the jeans; and Lauren sews the jeans. What does Lauren need from Bill and Tara to do her job?
   A. Thread, buttons, and zippers from Tara and denim from Bill
   B. Zippers, buttons and snaps from Tara and corduroy from Bill
   C. Buttons, thread, and denim from Bill and zippers from Tara
   D. Corduroy from Tara and zippers, snaps, and pins from Bill

18. When Jeremy develops his personal budget, he should categorize the money that he spends on food, clothing, and entertainment as
   A. relational outflows.
   B. variable expenses.
   C. fixed costs.
   D. periodic investments.

19. When posting on your company’s social media page, it is important to
   A. avoid posting any content that is new or interesting.
   B. ensure your message aligns with company values.
   C. make aggressive attacks on your competitors’ products.
   D. say whatever is on your mind at the current moment.

20. An effective way to close a job interview follow-up message is to
   A. communicate your minimum salary requirements.
   B. reinforce your interest in the position.
   C. ask the interviewer to read your resume.
   D. acknowledge your desire to be promoted.

21. Jamison is ignorant of his new classmate's culture. In other words, Jamison is
   A. individualist.
   B. ethnocentric.
   C. unintelligent.
   D. uninformed.
22. What should applicants do before interviewing for a job?
   A. Decide on an appropriate salary
   B. Prepare a follow-up message
   C. Find out about the business
   D. Call the business for directions

23. "I'd like to have that in writing before I give you my money," best describes the __________ customer.
   A. slow/methodical
   B. dishonest
   C. disagreeable
   D. suspicious

24. William is thinking about getting a new smartphone, so he logged on to a well-known website to read others’ opinions and experiences with different types of smartphones that are currently on the market. William is reading internet product reviews to
   A. determine which company has the best phone plan.
   B. compare the prices of smartphones from various online stores.
   C. make an informed buying decision.
   D. reaffirm his recent purchasing selection.

25. The most efficient way to obtain the current interest rates on certificates of deposit purchased through Main Street Community Bank is to
   A. visit the bank's website.
   B. go to the bank to get a product brochure.
   C. make an appointment with a bank teller.
   D. call the bank's financial officer.

26. Which of the following is one way that workplace accidents are costly to employees:
   A. Lost sales
   B. Lost production
   C. Lost profits
   D. Lost income

27. Which of the following activities are part of the revision step of professional writing:
   A. Outlining, writing, and proofreading
   B. Analyzing, prewriting, and summarizing
   C. Brainstorming, outlining, and drafting
   D. Rereading, rearranging, and removing

28. Andrea wants to save up some money to buy a used car for college. Which of the following is a decision she could make to help her reach her goal of buying a used car:
   A. Volunteering at a food shelter
   B. Working a summer job
   C. Buying lottery tickets
   D. Purchasing lunch at school
29. An irate business customer yells at you because of a billing error. In this situation, what should you do to demonstrate a customer service mindset?
   A. Call the person's supervisor to complain about the customer's attitude.
   B. Get as upset as the customer.
   C. Blame the billing department.
   D. Make sure the mistake is corrected.

30. When a business has too much inventory on hand for an extended period of time, what type of business cost increases?
   A. Holding
   B. Stockout
   C. Production
   D. Maintenance

31. A salesperson who frequently handles customer complaints should think of each complaint as an opportunity to
   A. get to know the customer.
   B. satisfy the customer.
   C. ask personal questions.
   D. use feedback techniques.

32. The most positive words to use in selling are
   A. brand names.
   B. customers' names.
   C. technical terms.
   D. credit terms.

33. Mitchell is writing an email to a company asking for some information he needs to complete a research project. What is the most effective way to close the message?
   A. I need this information ASAP.
   B. I appreciate your help with this issue.
   C. I wish you the best of luck.
   D. I apologize for the inconvenience.

34. Which of the following symbols placed before a word in a search-engine query field will exclude the word from the search:
   A. Number sign
   B. Exclamation point
   C. Minus sign
   D. Quotation marks

35. When Raquel gives Emil feedback, she's sure to focus on what will help Emil improve. Although she tells Emil what he's doing wrong, she also explains how to correct the behavior and perform better the next time. Raquel is using
   A. open-ended questioning.
   B. constructive criticism.
   C. negative feedback.
   D. nonverbal communication.
36. One of the advantages to businesses of using spreadsheet software is its ability to
   A. do calculations.
   B. create visuals.
   C. store information.
   D. write brochures.

37. Which of the following is true of self-confidence:
   A. It cannot be attained unless you are born with it.
   B. It often offends or annoys other people.
   C. It typically involves bragging.
   D. It inspires confidence in friends and coworkers.

38. Gina has been called into a meeting while composing an important email message. So Gina will not need to delete and retype the message after the meeting, she should save the message as a
   A. reply.
   B. draft.
   C. postscript.
   D. flagged response.

39. Alyssa needs a reliable car to maintain employment. She has saved $1,500 for a down payment on a used car and budgeted $250 for monthly car payments. Unfortunately, the used cars Alyssa can afford are older models at risk of needing repairs. Instead of taking that risk, she decides to lease a reliable new car with a monthly payment of $300 and no money down. She is thinking of using the $1,500 originally planned for a down payment to pay for a vacation. What would be the best way for Alyssa to use the $1,500, though?
   A. Use $1,500 as a down payment on a used car that fits in her budget
   B. Give $1,500 to the dealer to cover the first five lease payments
   C. Set aside $1,500 to cover the first five lease payments and save for the vacation
   D. Put $1,500 in savings to help cover the extra $50 per month for lease payments

40. Purchasing specialists who buy items such as furniture, supplies, and uniforms for their own company are buying for
   A. transformation.
   B. retail.
   C. resale.
   D. business use.

41. Is it acceptable business practice to prepare a resume without listing any references?
   A. Yes, it is assumed that references can be provided upon request.
   B. No, a list of references should be at the beginning of the resume.
   C. No, a job resume is incomplete unless it contains a list of references.
   D. Yes, providing references is a courtesy that is not really necessary.

42. Visualizing yourself as you would like to be is a technique that
   A. does not work well.
   B. is seldom rewarding.
   C. is quick and easy to learn.
   D. takes time and practice.
43. So that the company can determine when it needs to order more pencils, Kendra subtracts one box of pencils on a tracking sheet after she takes the box from the office supply cabinet. This is an example of
   A. perpetual inventory.
   B. inventory shrinkage.
   C. inventory keeping.
   D. physical inventory.

44. Liam is taking notes during a class lecture. He listens carefully, writes down everything the speaker says, and writes as legibly as possible. What common note-taking mistake is Liam making?
   A. Listening carefully
   B. Writing down everything the speaker says
   C. Writing legibly
   D. Taking notes—he should listen carefully without writing

45. The Occupational Safety and Health Administration (OSHA) is responsible for
   A. insisting that businesses maintain safe, hazard-free workplaces.
   B. complying with a business's safety rules.
   C. reporting job-related injuries or illnesses to supervisors.
   D. seeking medical attention for injured employees.

46. Which of the following is an example of a post-sale touchpoint:
   A. The product itself
   B. Publicity
   C. Customer loyalty program
   D. Advertising

47. Which of the following is a business risk that can be covered by purchasing insurance:
   A. Economic conditions
   B. Robbery
   C. Spoilage
   D. Competition

48. Employees who answer the telephone should give both the name of the business and
   A. their names.
   B. its purpose.
   C. the time.
   D. its address.

49. Among other factors, lenders generally evaluate __________ to determine a potential borrower's ability to repay debt.
   A. bank addresses
   B. credit reports
   C. insurance premiums
   D. credit unions
50. The Whitmore Company uses an assembly line to produce large quantities of in-line skates. What kind of production process is this?
   A. Mass production
   B. Custom production
   C. Technological production
   D. Intermittent production

51. Presley knows when she hears construction noise while she is trying to work, she becomes stressed and irritable. She decides to bring headphones to work to block out the noise. Presley is
   A. exhibiting integrity.
   B. developing self-control.
   C. showing initiative.
   D. behaving unethically.

52. The act of reflecting on and processing information is often referred to as
   A. mental fitness.
   B. objective research.
   C. compulsive thought.
   D. critical thinking.

53. The basic structure of a web page is typically dictated by
   A. JavaScript.
   B. CDML.
   C. online visitors.
   D. HTML.

54. Smiling is an example of
   A. verbal communication.
   B. eye contact.
   C. nonverbal communication.
   D. gesturing.

55. Which of the following situations may represent a risk to the business:
   A. A regular customer brings a new neighbor to shop at the business.
   B. A new customer's check is for an amount larger than the purchase total.
   C. A new customer with a check provides a piece of photo identification.
   D. A regular customer is impatient when the cashier takes a phone order.

56. Determine if the following statement is true or false: Groupware applications often stimulate workplace creativity.
   A. False; the groupware application only allows users to update numerical data on shared documents.
   B. True; groupware allows users to share and brainstorm ideas that may improve work processes.
   C. False; the primary focus of groupware is to communicate policies and procedures to users.
   D. True; groupware streamlines the work effort, so users have more time for social interaction.
57. Which of the following is likely to be the result when coworkers communicate poorly with each other:
   A. Human relations problems
   B. Efficient work area
   C. Increased job understanding
   D. Shared job responsibilities

58. After Courtney finds a man's missing order that he was inquiring about, she lets him know it will arrive later that afternoon. He seems to be pleased, so Courtney knows she did the right thing. Which step of problem-solving does this situation illustrate?
   A. Define the problem
   B. Determine possible solutions
   C. State and check your assumptions
   D. Evaluate the solution

59. When businesses invest funds to expand, they are involved in the process of
   A. selling.
   B. capitalism.
   C. finance.
   D. depreciation.

60. You want to be sure the book you're using to research a science project is relevant and valid. You should confirm the book is
   A. available at every public library nearby.
   B. published by a special interest group.
   C. by an author with appropriate credentials.
   D. has been reprinted multiple times.

61. It is most appropriate for businesspeople to use complex, technical jargon when they are
   A. greeting new customers.
   B. introducing a friend to a business associate.
   C. informally conversing with an acquaintance.
   D. speaking with coworkers.

62. Which of the following is a reason why innovation is important:
   A. Innovation helps the economy.
   B. Innovation ensures a business will succeed.
   C. Innovation eliminates competition.
   D. Innovation leads to creativity.

63. What do you need to know to differentiate between consumer and industrial goods or services?
   A. Who bought the product?
   B. Who sold the product and at what price?
   C. Who produced the product?
   D. Who bought the product and for what purpose?
64. Once you have determined your personal vision, you should consult it when
   A. your younger sibling is struggling to choose a career path.
   B. you are unsure about what to buy at the grocery store.
   C. your friend needs help deciding which college to attend.
   D. you are faced with a crossroads or a new decision in life.

65. Sasha's science teacher is explaining lab directions to the class. They'll be performing a complicated experiment with many steps that will take about a week. The next day, Sasha tries to remember a step of the directions, but she can't. Which step of following oral directions should Sasha have followed?
   A. Take notes.
   B. Acknowledge directions verbally or nonverbally.
   C. Make eye contact.
   D. Eliminate distractions.

66. Which of the following is a behavior of an achievement-oriented leader:
   A. Withholding feedback
   B. Allowing followers to take moderate risks
   C. Not allowing followers to take responsibility
   D. Setting easy goals

67. A tool that businesses can use to orient new employees is a(n)
   A. performance appraisal.
   B. employee handbook.
   C. job resume.
   D. exit interview.

68. A business manager who is calculating the costs of products is performing the marketing function of
   A. accounting.
   B. pricing.
   C. product/service management.
   D. financing.

69. To gather information about a career in finance, which of the following would be considered a primary source of career information:
   A. Watching a documentary film about finance outsourcing
   B. Reading a magazine article about finance job growth
   C. Examining online reviews of several finance companies
   D. Interviewing a finance director about their work experiences

70. A business may use accounting to keep track of
   A. competitor information.
   B. customer information.
   C. amounts owed to it.
   D. marketing campaigns.
71. When Josh arrived at work this morning, he saw that the company safe was open, the office was in disarray, and his laptop computer was missing. Josh should immediately report the situation to the local
   A. insurance provider.
   B. health organization.
   C. police department.
   D. fire department.

72. The business manager tried to write a promotional letter that was simple, clear, and interesting so that customers who received it would
   A. need to read it many times.
   B. ask what it really meant.
   C. find it entertaining.
   D. easily understand it.

73. A way that government regulates business is through
   A. industrialization.
   B. licensing.
   C. public goods.
   D. service agencies.

74. When Matthew receives a check four times a year for income he has earned on his stock investments, he is receiving
   A. credit.
   B. dividends.
   C. cash.
   D. deposits.

75. Leadership is especially important at the beginning of a business because
   A. businesses cannot afford to pay employees.
   B. startup failure rates are high.
   C. every company must have a president.
   D. only certain types of people can be leaders.

76. An important factor in effective verbal communication is
   A. developing mannerisms.
   B. having a pleasant voice.
   C. enunciating rapidly.
   D. reading from a script.

77. A major part of being responsible means knowing how to act
   A. in government buildings.
   B. at a professional sporting event.
   C. in a job interview.
   D. in different contexts and situations.
78. Which of the following is an example of processing a transaction with a debit card:
   A. Tyler provided his card number and expiration date to the online travel agency so he could obtain his airline tickets now and receive his bill for the tickets later.
   B. After Ava finished her meal at an upscale restaurant, she presented the server with a card that provided Ava with a special discount off her bill.
   C. Jayden purchased a new video game from Great Deal Electronics using a store-issued card given to him by his grandfather.
   D. When Naomi purchased office supplies, she presented the cashier with a card that automatically withdrew funds from her business's checking account.

79. A company's computer network allows many users to access the same programs on different computer units throughout the company. What type of computer operating system is the company using?
   A. Augmented
   B. Hosted
   C. Multiprocessing
   D. Multithreading

80. What type of procedure is designed to help companies serve patrons quickly and effectively?
   A. Human resources-related procedures
   B. Customer inquiry procedures
   C. Emergency procedures
   D. Disciplinary/Termination procedures

81. Jhenae just realized she failed to do an important and difficult task her boss had assigned to her. The task needs to be completed by tomorrow morning. What should Jhenae do to show she has initiative?
   A. Ask her boss to extend the deadline
   B. Ask her teammates to help complete it
   C. Complete what she can before her work shift is over
   D. Work late to complete it on time

82. What kind of insurance combines death benefits with a savings and investment account?
   A. Ordinary life
   B. Term
   C. Liability
   D. Homeowner's

83. Which of the following statements best describes revolving credit accounts:
   A. Credit is used for consumed utilities that have not yet been paid.
   B. Credit is paid in installments within a certain period of time.
   C. The credit limit is set at the time the credit account is opened.
   D. Interest is not charged if a credit user makes payments on time.
84. Which of the following is a name for a medium of exchange accepted and backed by the government as payment for goods and services:
   A. Currency
   B. Money market accounts
   C. Credit cards
   D. Certificates of deposit

85. Identify the weakness of the following opening paragraph used in a letter of application: “Your recent job post on Indeed for a customer service representative is of interest to me. I would like to apply for the position.”
   A. Spelling
   B. Grammar
   C. Format
   D. Punctuation

86. Which of the following statements is true about the concept of price:
   A. Buyers and sellers have the same objectives.
   B. Excess supply causes a decrease in price.
   C. Consumer goods are almost always sold at the equilibrium price.
   D. Rationing determines the rise and fall of prices.

87. GAAP is a system that provides accountants with
   A. acceptable procedures.
   B. professional development.
   C. the newest technology.
   D. networking opportunities.

88. A major problem for individuals and private businesses in a socialist command economy is
   A. profit.
   B. a lack of competition.
   C. a shortage of consumer goods.
   D. taxes.

89. Thor’s supervisor provides only general guidance, avoids giving specific or detailed directions, and wants employees to function independently. What leadership style is the supervisor following?
   A. Authoritarian
   B. Democratic
   C. Assertive
   D. Laissez-faire

90. Cecelia wants to purchase a home. How could her bank help her with this goal?
   A. Provide brokerage services
   B. Provide a mortgage
   C. Offer wealth management
   D. Offer mobile check deposit
91. Which of the following statements related to debt management is true:
   A. If you're struggling to pay your bills, you should contact your creditors to work out a modified payment plan.
   B. Debt collectors are permitted to contact you at any time and in any manner, even if you've requested that they stop contacting you.
   C. There is no risk of losing assets such as your car or home when you receive a secured loan from a creditor.
   D. In many countries, your debts are absolved after you fail to pay your bills for 15 years.

92. When Trina's sales team won the company-wide competition, she was sure to share the credit with all her team members. Trina is demonstrating that she is
   A. consistent.
   B. open-minded.
   C. generous.
   D. impartial.

93. When stereotypes and prejudice are put into action, the result is
   A. unconscious bias.
   B. racism.
   C. bias.
   D. discrimination.

94. Rashid's business always puts the customer first. All of the company's decisions are made to satisfy customer wants and needs. Rashid's company is using the __________ concept.
   A. marketing
   B. relative
   C. utility
   D. customer

95. If you fear change, the best way for you to cope with that fear is to
   A. face your fear head-on.
   B. keep your fear hidden.
   C. pretend your fear doesn't exist.
   D. hope your fear will go away.

96. Qualified employees who behave unethically on the job may harm themselves by being
   A. rotated to similar positions.
   B. sent to a training program.
   C. held legally responsible.
   D. passed over for promotions.

97. When employees demonstrate adaptability, they are able to be
   A. honest.
   B. creative.
   C. flexible.
   D. aggressive.
98. When consumers purchase a product, they are giving up their
   A. demand.
   B. utility.
   C. desires.
   D. buying power.

99. To learn objective information about a news topic, you should
   A. read opinion columns in the newspaper.
   B. rely on a single news source for information.
   C. distrust the national news media.
   D. compare numerous different sources.

100. Treating others the way you'd like to be treated is one way to build trust by
    A. being fair.
    B. keeping your promises.
    C. taking responsibility for your mistakes.
    D. communicating often and openly.
KEY
Test Number 1289

Business Administration Core Exam

PBM – Principles of Business Management and Administration Event
PFN – Principles of Finance Event
PHT – Principles of Hospitality and Tourism Event
PMK – Principles of Marketing Event

CAUTION: Posting these materials on a website is a copyright violation.

This comprehensive exam was developed by MBA Research exclusively for DECA’s 2023-2024 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 and career-sustaining levels. A descriptive test key, including question sources and answer rationale, has been provided to the DECA chartered association advisor.

Copyright © 2024 by Marketing & Business Administration Research and Curriculum Center®, Columbus, Ohio (dba MBA Research). Each individual test item contained herein is the exclusive property of MBA Research. Items are licensed to DECA only for use as configured within this exam, in its entirety. Use of individual items for any purpose other than as specifically authorized is prohibited. Possession of this exam, without written authorization, under any other circumstances is a copyright violation. Posting to inter- or intranet sites is specifically forbidden unless written permission is obtained prior to posting. Report violations to DECA at 703.860.5000 and MBA Research at 800.448.0398. Permission for reprinting is granted to DECA chartered associations authorized by DECA Inc.

DECA Inc. will impose sanctions on chapters and chartered associations for violations of this policy up to and including disqualification of competitors and chapters from further participation.
1. D
Ask the question after Sebastian has finished speaking. Speakers often ask other meeting participants if they have questions after they finish their presentations. Therefore, Danielle should ask her question after Sebastian finishes his presentation, when he asks if anyone has questions. Interrupting Sebastian while he is speaking to ask a question is disruptive and rude. Other meeting participants may not think of the same question that Danielle has, so she should not rely on others to ask the question. Danielle should not wait until the next meeting, because the information Sebastian provides may be outdated or forgotten by that point.

SOURCE: CO:063 Participate in a staff meeting

2. C
They may take a long time to provide a return. Bonds are considered safe, reliable investments. However, the trade-off is that the investor must be willing to leave their money with the bond issuer for a long time before receiving the return. The rate of this return will not necessarily be lower than the rate of inflation. There is no penalty for early withdrawal from a bond—you just miss out on the return you would have gotten if you had left your money in it. Bonds are issued by corporations or governments, but this is not necessarily a disadvantage.

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

3. C
Privacy and security issues. Dealing with privacy and security issues is a potential risk involved with information management. Companies have a responsibility to protect their clients from identity theft as well as to protect them from getting unwanted spam and junk mail. An information management program that is not running effectively may put clients’ information at risk. Appropriate information management will not necessarily prevent increased use of outsourcing, increased competition, or higher interest rates. In fact, increased use of outsourcing and increased competition are considered trends of information management, not risks.

SOURCE: NF:110 Discuss the nature of information management
SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

4. C
To change careers. On occasion, it is necessary for employees to change careers after they have been working for several years because their current jobs will be eliminated. For example, advances in technology have eliminated the need for some jobs while creating a need for new jobs. Therefore, some employees need additional education and training to change careers. Part of continuing their education might include serving an apprenticeship, attending college, or taking online classes.

SOURCE: PD:033 Explain the need for ongoing education as a worker
5. A

Prepare a purchase order. Arnie needs to prepare a purchase order, which is the form that a business (buyer) fills out to order goods from a vendor (seller). The purchase order typically contains information such as the item's description, part number, quantity, price, and the company's shipping and billing addresses. An invoice is an itemized statement of money owed for a good or service and is generated by the vendor (seller). A receipt is an acknowledgment of the sale and transfer of goods and services, and is typically provided by the seller to the buyer in consumer retail transactions. Employees complete expense forms so their employers can reimburse them for business-related out-of-pocket expenses.

SOURCE: OP:016 Place orders/reorders

6. B

Useful and intended to improve something. Constructive criticism, advice that is useful and intended to help or improve something, is an excellent tool for providing feedback and inspiration in a positive manner. Constructive criticism is actionable and relevant to the individual's performance. It is not intended to hurt someone's feelings, and it should never be irrelevant or personally offensive.

SOURCE: EI:133 Inspire others
SOURCE: LAP-EI-133—A Force for Good (Inspiring Others)

7. B

Two coworkers share their opinions about a new work project during a coffee break. Informal communication involves a casual exchange of information. This information may or may not include work-related issues. Coworkers who talk about work-related topics while on a coffee break are engaging in informal communication. Informal communication can be positive for businesses because employees often share new ideas that may benefit the business. Formal communication involves following a specific protocol or systematic process to transmit messages. A press release and the distribution of a production schedule are methods of formal communication, as is conducting a training session for new employees.

SOURCE: CO:092 Choose and use appropriate channel for workplace communication

8. C

You are controlled by the people and situations around you. Having a victim mentality means you believe you are controlled by the people and situations around you, instead of being responsible for your own decisions and actions. You may or may not believe that everyone is a victim in one way or another or that it is easy to get along with other people.

SOURCE: EI:075 Take responsibility for decisions and actions
SOURCE: LAP-EI-075—It's Up to You (Taking Responsibility for Decisions and Actions)

9. C

Aptitude. When exploring career options, individuals should consider their aptitudes. An aptitude is a natural talent or a skill that a person masters quickly or easily such as drawing, painting, science, math, etc. A hobby is an enjoyable activity that a person does in their leisure time. The attitudes and ways in which a person approaches a situation are their mindset. A vision is the future you desire to create. People apply their aptitudes to work toward their visions.

SOURCE: PD:023 Identify tentative occupational interest
10. B
Yours truly. The complimentary close respectfully signals the end of a business letter. "Dear Occupant" and "To Whom It May Concern" are examples of impersonal salutations, which are greetings that do not use the receiver's name. The word "Enclosure" indicates that additional materials that have been referenced in the letter are in the envelope with the letter.

SOURCE: CO:133 Write business letters

11. C
The credit bureau. Once a mistake on the credit report has been identified, you should reach out to the reporting credit bureau to fix the mistake. This communication should include your contact information and supporting documentation. While the police and your financial advisor may be sympathetic to your unfortunate situation, they will not be able to help as readily as the reporting credit bureau will. The IFRS stands for International Financial Reporting Standards, a set of international guidelines and procedures governing accounting practices.

SOURCE: FI:073 Protect against identity theft

12. B
You must follow the speed limit while driving. Laws are products of written statutes passed by a governing body. Speed limits are examples of traffic laws. School dress codes and bans on profane language are not examples of laws; rather, these are rules. Waiting in line to check out at the grocery store is a store policy rather than a law.

SOURCE: BL:163 Comply with the spirit and intent of laws and regulations
SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

13. C
Yes, this will help your fellow team members. You should express your support for other members of the team whenever it is appropriate. This helps them and ensures your place on the team. It is also part of your role as a cooperative team member. It would be inappropriate to share praise you receive for your own work as an individual. Management should encourage the team, but fellow team members should also encourage each other by giving praise for others' good ideas and hard work.

SOURCE: EI:045 Participate as a team member
SOURCE: LAP-EI-045—Team Up (Participating as a Team Member)

14. C
Listening requires effort. While hearing occurs automatically, listening does not. Listening is a mental activity that requires effort and is something you actively do. When you listen, you concentrate so your brain can process the meanings of the sounds, words, and sentences. Hearing and listening are not the same thing. Passive listening is listening without paying full attention. It is not focused enough to understand complex material or discover the deeper messages a friend may want to communicate to you.

SOURCE: CO:017 Demonstrate active listening skills
SOURCE: LAP-CO-017—Listen Up (Demonstrating Active Listening Skills)
15. D  
Give up too soon. Success is often just around the corner, but many people become discouraged and give up without reaching their goals. Enthusiasm, a positive attitude, and a sincere desire to reach a goal are all helpful in attaining goals.  
SOURCE: PD:018 Set personal goals  
SOURCE: LAP-PD-918—Go for the Goal (Goal Setting)

16. C  
Deciding what to monitor and who will monitor it. The first step of monitoring a project and taking corrective actions is to decide what to monitor and who will monitor it. Many different aspects of a project can be monitored depending on your goals and objectives. Gathering data using appropriate tools, communicating changes to stakeholders, and making changes and corrections are steps that follow deciding what to monitor and who will monitor it.  
SOURCE: OP:520 Monitor projects and take corrective actions  
SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

17. A  
Thread, buttons, and zippers from Tara and denim from Bill. Work efforts are often interdependent—workers rely on each other to accomplish a task or goal. In many situations, specific people are responsible for providing specific elements to complete a project or achieve a goal. In the example, Lauren needs several items from Bill and Tara so that she can perform her job of sewing the jeans. Because Bill is the fabric buyer, he is responsible for buying the denim so Lauren can make the jeans. Tara buys the small items needed to make the jeans, so she is responsible for obtaining items such as thread, buttons, zippers, snaps, and pins. Corduroy is a different type of fabric used to make various types of apparel items.  
SOURCE: OP:230 Coordinate work with that of team members  

18. B  
Variable expenses. A budget is an estimation of income and expenses. Developing a personal budget helps individuals better manage their money. Variable expenses are expenses that change from month to month, such as food, clothing, and entertainment expenses. Fixed expenses are expenses that do not change every month, such as rent and loan payments. Relational outflows and periodic investments are not budgetary categories.  
SOURCE: FI:066 Develop personal budget  

19. B  
Ensure your message aligns with company values. The messages you post on your company’s social media page should align with company values. If a message is posted that conflicts with organizational values, the company may face public backlash, legal action, or angry customers. People posting on company-run social media pages should not say whatever is on their mind or make aggressive attacks on competitors’ products. Both actions would be inappropriate and potentially harmful to the company. It is important, however, to post content that is new and interesting on company-run social media pages.  
SOURCE: CO:206 Distinguish between using social media for business and personal purposes  
20. B
Reinforce your interest in the position. It is a courteous gesture to write a follow-up message (e.g., email) to thank the interviewer for the opportunity to discuss the job. The message may include information that you may have forgotten to share with the interviewer. Letting the interviewer know that you are interested in the position when closing the message can help reinforce a positive image and help the interviewer remember you. Communicating your minimum salary requirements and your desire for promotion are not appropriate topics for a follow-up message and may hinder job offers. Interviewers read resumes before setting up interviews with job applicants.

SOURCE: PD:029 Write a follow-up letter after job interviews

21. D
Uninformed. Saying that a person is ignorant just means they lack knowledge or information about something. Because Jamison is ignorant of his new classmate’s culture, he is uninformed. If someone is ignorant, it does not mean they are unintelligent. Being ethnocentric means you believe your own culture is naturally better than others. Being individualistic means placing an emphasis on independent work and accomplishments. Jamison does not demonstrate ethnocentrism or individualism in this example.

SOURCE: EI:033 Exhibit cultural sensitivity
SOURCE: LAP-EI-033—Getting to Know You (Cultural Sensitivity)

22. C
Find out about the business. It is important to be prepared before interviewing for a job. Part of being prepared involves finding out about the business. A lot of information is easy to obtain because many businesses have websites that provide an overview of the business and its operation. Also, it may be possible to visit the business or ask friends and family members about it. Knowing what the business does will make it easier to ask and answer specific questions related to the job. It is not always necessary to call for directions before an interview. Applicants prepare a follow-up message after the interview. It may not be possible to decide on an appropriate salary until the applicant learns more about the job during the interview.

SOURCE: PD:028 Interview for a job

23. D
Suspicious. These customers want facts and proof before making the final buying decision. They tend to question everything you tell them. This skepticism may be the result of bad experiences with other businesses. Disagreeable customers are unpleasant and hard to help. Dishonest customers try to avoid paying part or all of the price for a good or service. Slow/Methodical customers require a lot of time to make buying decisions because of shyness or indecisiveness.

SOURCE: CR:009 Handle difficult customers
SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)
24. C

Make an informed buying decision. The internet has revolutionized the ways in which business is conducted. The internet provides customers with the ability to obtain product information in a variety of ways—from business websites, blogs, newsfeeds, and consumer information websites. In the example, William is doing research to find out how other users like different smartphones before he makes a decision about the one that he wants to buy. William will likely visit various smartphone retailers to get product specifications and pricing before making his decision. Although phone plans are often a factor when making a mobile-phone purchasing decision, there is not enough information provided to determine whether phone plans will affect William's buying decision. William hasn't purchased his smartphone yet, so he can't reaffirm his recent purchase.

SOURCE: NF:086 Describe the scope of the Internet

25. A

Visit the bank's website. Because many businesses post and update product information on their websites, their customers can access information they need 24 hours a day, seven days a week. Many customers obtain product information from websites because it is quick, convenient, accurate, and secure. A bank's financial officer does not usually take routine customer-service calls and may not be available to take a customer's call. Customers usually do not need to make appointments with bank tellers. Driving to the bank to get a product brochure is not as efficient as visiting the bank's website. Because the interest rates for financial products change, product brochures may not contain the most current rates.

SOURCE: NF:078 Obtain needed information efficiently

26. D

Lost income. Workplace accidents are costly to both employees and employers. Some of the ways that accidents are costly to employees include missing work and losing income. Lost production, lost sales, and lost profits are some of the ways that accidents are costly to employers.

SOURCE: OP:009 Explain procedures for handling accidents

27. D

Rereading, rearranging, and removing. The revising process involves rereading, adding, rearranging, removing, and replacing content. The purpose of revising is to ensure that the text is written logically, using appropriate word choice and transitions. Brainstorming, outlining, drafting, prewriting, and writing are all preliminary steps in the writing process that occur before revising. Proofreading is a component of the editing process, in which writers check their work for spelling and grammatical errors. Analyzing and summarizing are not generally considered parts of the writing process.

SOURCE: CO:089 Edit and revise written work consistent with professional standards
28. B

Working a summer job. To reach her goal of saving up enough money to buy a used car, Andrea can make the decision to pick up a summer job. By picking up a summer job, she can save money from her paychecks to buy a car. Andrea's chances of winning the lottery are slim to none, so she should save the money instead of spending it on lottery tickets. Rather than purchasing lunch at school, she can pack a lunch. Volunteering at a food shelter is a great way for Andrea to give back to the community, but volunteering means she isn't receiving any payments for her time.

SOURCE: Fl:270 Explain the need to save and invest

29. D

Make sure the mistake is corrected. The customer wants you to resolve the problem. To do this, you must find solutions and correct the mistake without getting as upset as the customer, being defensive, or placing blame. You must find out what happened so that you know what to do next. Calling the customer's supervisor is inappropriate. You should look at this problem as an opportunity to discover how you can improve your customer service skills.

SOURCE: CR:004 Demonstrate a customer service mindset
SOURCE: LAP-CR-004—Set Your Mind to It (Customer Service Mindset)

30. A

Holding. The money it takes to keep inventory in stock is called holding cost. Holding costs include storage space, taxes, and insurance. By minimizing its holding costs, a business is taking steps to reduce its overall operating costs. Maintenance costs are expenses associated with the upkeep of the business’s facility and equipment. Production costs are expenses associated with the creation of goods and services. Stockout costs are associated with running out of needed inventory and are considered in terms of lost money and sales, lost productivity, and lost customer satisfaction.

SOURCE: OP:189 Explain the nature of operations

31. B

Satisfy the customer. Salespeople should think of each complaint as an opportunity to satisfy the customer and increase sales. Customers will sometimes make additional purchases at the time of the complaint if they are satisfied with the way in which the complaint was handled. Salespeople should avoid asking personal questions. The purpose of effectively handling customer complaints is to satisfy customers rather than to get to know them. When customers complain, they are providing the salesperson with feedback.

SOURCE: CR:010 Handle customer/client complaints

32. B

Customers’ names. Customers' names are very special and important to them. The salesperson who can use the customer's name in the presentation brings a personal and positive touch to the sale. Brand names are more important to some customers than to others. In most cases, technical terms tend to have a negative rather than a positive effect on customers. Not all customers or selling situations involve credit terms.

SOURCE: CR:003 Explain the nature of positive customer relations
33. B

I appreciate your help with this issue. An inquiry is a request for information. Letters of inquiry are requests for information such as product specifications, prices, job openings, proposals, expertise or consultation, etc. Letting the message recipient know that you appreciate their time and effort is a cordial way to close the message. The message sender might state a time when they plan to follow up with the recipient. Closing the message by saying the information is needed ASAP is rude and unprofessional. Wishing the message recipient luck and extending an apology are inappropriate closings for the situation at hand.

SOURCE: CO:040 Write inquiries

34. C

Minus sign. Placing the minus sign (-) before a word entered in the query field will exclude the word from the search. For example, if an individual wanted to conduct a search for information about cars but doesn't want information about Ford cars, they enter the query [cars -Ford]. To search for an exact phrase, the user should place quotation marks around the phrase (e.g., "AMC cars"). Exclamation points (!) and the number sign (#) are not symbols that exclude a word from a web search.

SOURCE: NF:006 Demonstrate basic web-search skills

35. B

Constructive criticism. Constructive criticism is information that is designed to help the coachee improve. When Raquel gives constructive criticism, she tells Emil what he’s doing wrong, but she also explains how to correct the behavior and perform better the next time. Nonverbal communication uses body language instead of words or to support words. Open-ended questions require more than a simple “yes” or “no” answer. Raquel should not use negative feedback.

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

36. A

Do calculations. Businesses often use spreadsheet software to organize and prepare financial documents, such as budgets and profit statements. One of the advantages of using spreadsheet software is its ability to do mathematical calculations. A business can input columns and rows of dollar amounts or percentages, and the software will complete the computations accurately and quickly. Also, businesses can change various figures to determine the effect a planned price increase would have on profit. Word-processing software is used to write brochures. Graphics software is used to create visuals. Database software is used to store information.

SOURCE: NF:010 Demonstrate basic spreadsheet applications
37. D
It inspires confidence in friends and coworkers. People with self-confidence inspire confidence in others, including their coworkers and friends. When you are confident, others believe in you. Although it can take time and effort to cultivate, anyone is capable of building their self-confidence. Self-confidence on its own does not offend or annoy people, and it should not involve bragging. If someone is annoying or offending others with their self-confidence, they may be overconfident.

SOURCE: EI:023 Exhibit self-confidence

38. B
Draft. Saving a message as a draft allows the sender to save the message, change or add text, and send the message at a more convenient time. The reply function allows a message recipient to respond to a sender's message. Flagging an email reminds the message recipient to follow-up with the message at a later time. A postscript is a short message added to a letter after the letter has been signed. Senders sometimes add postscripts to their email messages, too.

SOURCE: NF:004 Demonstrate basic e-mail functions

39. D
Put $1,500 in savings to help cover the extra $50 per month for lease payments. Saving and using the $1,500 to cover the extra $50 per month will help Alyssa make her first 30 payments on the car and maintain her current budget. Buying a used car may be less expensive and within Alyssa's budget, but it could put her at risk of expensive car repairs and jeopardize her job. Paying for lease payments ahead of schedule usually doesn't offer any financial benefit. Using the $1,500 to cover the first five lease payments and saving for the vacation would give Alyssa a false sense of meeting her budgeted needs when she is really planning to overspend on a vacation.

SOURCE: FI:783 Make responsible financial decisions

40. D
Business use. Purchasing specialists who buy items such as furniture, supplies, and uniforms for their own company to use are buying for business use. When a business purchases items for resale, it buys things to sell to other businesses or consumers. Retailers buy items for resale. Purchasing specialists who buy items for transformation purchase raw materials and components that will be converted into finished products through some type of production process.

SOURCE: OP:015 Explain the nature and scope of purchasing
SOURCE: LAP-OP-015—Buy Right (Purchasing)
41. A

Yes, it is assumed that references can be provided upon request. While it was customary for job applicants to include a sentence on their resume stating “References available upon request,” this is no longer considered to be necessary, especially because it takes up valuable space on the resume. It is considered acceptable business practice to prepare a resume without listing any references because it is assumed that references will be provided to potential employers upon request (and therefore does not need stated). Providing references at some point in the application process is more than a courtesy—many companies require it for hiring. A resume is complete if it contains all other necessary information.

SOURCE: PD:031 Prepare a resume


42. D

Takes time and practice. Visualization is the practice of imagining yourself in possession of a present or desired strength. It is not always learned quickly or easily, but it does work well and can be very rewarding.

SOURCE: EI:016 Explain the concept of self-esteem


43. A

Perpetual inventory. Perpetual inventory is a record of inventory information that is continuously updated. Updates can be done manually or by computer. Businesses often track their office supplies to make sure that they have enough items on hand to run smoothly. Inventory shrinkage is a loss of inventory due to shoplifting, employee theft, breakage, misplacement, or poor recordkeeping. Physical inventory is the process of counting each item that is available for use. Inventory keeping is a fictitious term.

SOURCE: OP:031 Maintain inventory of supplies


44. B

Writing down everything the speaker says. Writing down everything a speaker says can seem like a good note-taking strategy, but it is often confusing and sometimes impossible. Instead, Liam should focus on writing down the speaker’s most important points. Listening carefully and writing legibly are important parts of note-taking. Liam should take notes while he listens carefully.

SOURCE: CO:085 Utilize note-taking strategies


45. A

Insisting that businesses maintain safe, hazard-free workplaces. OSHA, a federal government agency, writes and enforces safety standards for all businesses. Under OSHA, both employers and employees have responsibilities to keep the work environment free of hazards. OSHA informs employers of the rules and safety practices that employees need to follow. Employees are responsible for reporting job-related injuries or illnesses to their supervisors, seeking medical attention as needed, and complying with their business’s safety rules.

SOURCE: OP:007 Follow safety precautions

46. C
Customer loyalty program. A customer loyalty program is an example of a post-sale touchpoint. It's one way for businesses to keep in touch with customers and build brand loyalty. The product itself is considered a during-the-sale touchpoint. Advertising and publicity are generally considered presale touchpoints.
SOURCE: CR:001 Identify company's brand promise
SOURCE: LAP-CR-001—Share the Promise (Identifying Brand Promise)

47. B
Robbery. Robbery and theft insurance covers specific risks such as theft of equipment or merchandise or risk of holdups. Spoilage, competition, and economic conditions are risks that usually cannot be covered by insurance.
SOURCE: EC:011 Determine factors affecting business risk
SOURCE: LAP-EC-003—Lose, Win, or Draw (Business Risk)

48. A
Their names. Answering a business phone requires a more formal procedure than answering a personal phone. People who phone a business expect to be greeted with the name of the company and the name of the person who answered. Customers feel more comfortable dealing with individuals who have identified themselves. It is not necessary for the employee answering the phone to automatically recite the address of the company, explain its purpose, or give the time of day to the caller unless specifically asked.
SOURCE: CO:114 Handle telephone calls in a businesslike manner

49. B
Credit reports. A credit report is a document that contains details of an individual's credit history, which is a historic record of an individual's ability to repay debts. By assessing the credit report, lenders have a better sense of whether the potential borrower has the responsibility and capacity to repay debt. Lenders do not usually evaluate insurance premiums, bank addresses, or credit unions when assessing creditworthiness.
SOURCE: FI:072 Validate credit history

50. A
Mass production. Mass production is the production of a few products in large quantities. It often involves the use of an assembly line in which each worker has a specific job to do. Custom production involves making a single product or a few units of a specific product at a time. Intermittent production is used to make a certain number of specific products. Any of these production processes could be considered technological in nature, depending upon the way in which they are carried out; but they are not referred to as technological production.
SOURCE: OP:017 Explain the concept of production
SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)
51. B

Developing self-control. Self-control is the ability to manage your feelings, words, and actions. One step in developing self-control is identifying and avoiding triggers that cause you to lose control. Presley knows she could lose control when she is irritated by construction noise. She attempts to avoid the trigger of her stress by wearing headphones, which helps her to maintain self-control. Presley is not showing initiative, behaving unethically, or exhibiting integrity in this situation.

SOURCE: EI:025 Demonstrate self-control
SOURCE: LAP-EI-014—Control Yourself! (Demonstrating Self-Control)

52. D

Critical thinking. The act of reflecting on and processing information is often referred to as critical thinking. Critical thinking is important because it allows you to form your own opinions and beliefs on issues. Reflecting on and processing information is not referred to as objective research, compulsive thought, or mental fitness.

SOURCE: EI:136 Consider conflicting viewpoints
SOURCE: LAP-EI-136—Pick a Side (Considering Conflicting Viewpoints)

53. D

HTML. HTML, or HyperText Markup Language, is the basic language that provides the structure for a web page. HTML is then modified and enhanced by other technologies and languages such as JavaScript. CDML is not a type of web language. The basic structure of a web page is not dictated by online visitors.

SOURCE: NF:042 Create and post basic web page

54. C

Nonverbal communication. Smiling is an example of nonverbal communication. Nonverbal communication is the exchange of information without the use of words, including body language (such as smiling), eye contact, and gestures. Verbal communication is the exchange of information through the use of words, including writing and speech.

SOURCE: EI:007 Explain the nature of effective communications
SOURCE: LAP-EI-140—More Than Just Talk (Effective Communication)

55. B

A new customer's check is for an amount larger than the purchase total. The customer's check may be valid, or it may be a bad check because there is not enough money in the customer's account to honor the check. If the business accepts a bad check, the bank will not honor the check, and the business will lose not only the value of the customer's purchase but the additional cash as well. To protect themselves, some businesses require checks for more than the purchase total to be approved by a manager. A regular customer who brings in a new neighbor does not represent a risk to the business. Most customers are rightfully impatient when they are kept waiting by phone transactions. Photo identification is considered the most acceptable form because it carries both a picture and a signature.

SOURCE: OP:013 Explain routine security precautions
56. B
True; groupware allows users to share and brainstorm ideas that may improve work processes. Groupware applications allow several people to interact from remote locations in many ways. Interaction may include sharing written and verbal information, solving problems, making decisions, and brainstorming new ideas, which is a creative-thinking technique. Groupware streamlines the work effort, which allows users to complete their work more efficiently. Engaging in social interaction and communicating policies and procedures are not the primary uses of groupware applications.

SOURCE: NF:011 Demonstrate collaborative/groupware applications

57. A
Human relations problems. Workers who lack good communication skills have trouble making themselves understood and sharing information with others. This can cause problems among employees, especially those who work closely together. Job understanding might decrease if a supervisor has poor communication skills. Shared job responsibilities and efficiency in the work area are benefits of good communication among employees.

SOURCE: CO:014 Explain the nature of staff communication

58. D
Evaluate the solution. Courtney knows that her solution to the problem was the right one because the customer is satisfied with what she did, and the missing order has been tracked down. This is the last step of problem-solving. She has already defined the problem, and for her to be at the end of the process, she must have already stated her assumptions and determined possible solutions.

SOURCE: PD:077 Demonstrate problem-solving skills
SOURCE: LAP-PD-077—No Problem (Demonstrating Problem-Solving Skills)

59. C
Finance. This is the process of obtaining funds and using them to achieve the goals of the business. If one of the goals of the business is to expand, then investing funds in expansion is part of the finance process. Depreciation is the reduction in value of goods or assets occurring over a period of time. Selling is a marketing function that involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Capitalism is an economic system that depends on honest, healthy competition among businesses.

SOURCE: FI:354 Explain the role of finance in business
SOURCE: LAP-FI-354—Money Matters (Role of Finance)

60. C
By an author with appropriate credentials. When evaluating a book's relevance and validity, it's important to make sure the book's author is qualified to write about the subject. A book does not necessarily need to be reprinted multiple times or available at every public library nearby to be relevant and valid. You should evaluate who published the book. Special interest groups may publish materials that are intended to back up their own viewpoints, not present unbiased information.

SOURCE: CO:054 Identify sources that provide relevant, valid written material
61. D
Speaking with coworkers. Jargon is a specialized language known only to a certain group of people. Industries and companies often use jargon that is meaningful to their businesses and may not be easily understood by people outside their industries or companies. Coworkers are more likely to use jargon because they are familiar with the terms and their meanings or applications. New customers, friends, business associates, and acquaintances may not be familiar with a specific industry's jargon.

SOURCE: CO:084 Employ communication styles appropriate to target audience

62. A
Innovation helps the economy. Innovation is important because it helps the economy. Innovation creates new products and services that, in turn, create new jobs. Innovation can help a business succeed, but it does not guarantee success. In fact, innovation carries a risk of failure. Innovation does not eliminate competition, but it does give an innovative company a competitive advantage. Innovation doesn't necessarily lead to creativity; instead, creativity is more likely to lead to innovation. Innovation involves the process of putting creative ideas into action.

SOURCE: PD:126 Explain the need for innovation skills
SOURCE: LAP-PD-126—Ideas in Action (Innovation Skills)

63. D
Who bought the product and for what purpose? An industrial good is one purchased by a business for commercial use. A consumer good is one purchased by an individual for personal use. Price and source do not affect this distinction.

SOURCE: EC:002 Distinguish between economic goods and services
SOURCE: LAP-EC-902—Get the Goods on Goods and Services (Economic Goods and Services)

64. D
You are faced with a crossroads or a new decision in life. Your personal vision can act as a guidebook for your life, helping you make decisions when you are faced with difficult choices. It cannot, however, help your friend choose a college or your sibling choose a career path—your vision is only useful to you. Grocery shopping is not significant enough to consult your personal vision.

SOURCE: EI:063 Determine personal vision
SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)

65. A
Take notes. If a speaker is giving you multiple directions at one time, it may be useful to take notes. That way, as you complete your project, you can look back on them. If Sasha had taken notes in her situation, she'd know what to do next in her experiment. Eliminating distractions, making eye contact, and acknowledging directions are all important steps when it comes to following directions, but they are not steps that would help Sasha in this situation.

SOURCE: CO:119 Follow oral directions
SOURCE: Xdesign. (2022, October 17). 5 steps to giving and following instructions in the workplace. Retrieved August 8, 2023, from https://thinkx.net/blog/5-steps-to-giving-and-following-instructions-in-the-workplace
66. B
Allowing followers to take moderate risks. Achievement-oriented leaders allow their followers to take moderate risks. This can lead to greater accomplishments for the team, as well as more confidence for the individuals. Achievement-oriented leaders set challenging goals for their followers, not easy goals. They also provide feedback and expect their followers to take responsibility.
SOURCE: EI:027 Develop an achievement orientation
SOURCE: LAP-EI-027—High Hopes (Developing an Achievement Orientation)

67. B
Employee handbook. An employee handbook provides new employees with information about the business that the employee can read and refer to when they have questions about the business. Employee handbooks usually include basic information such as company history, hours of operation, benefits, and company policies. Providing employees with handbooks reduces the amount of time that must be spent in orientation sessions. An exit interview is a discussion with an employee who is leaving the company. A performance appraisal is an evaluation of the employee's job performance. A job applicant provides a prospective employer with a copy of their resume, which outlines their work experience and educational background.
SOURCE: HR:360 Orient new employees

68. C
Product/Service management. Marketing functions are interrelated activities that must work together to get goods and services from producers to consumers. The product/service management activities of a business involve obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. Successful product/service management activities include calculating the costs of products. Financing is a business function that involves determining the need for and availability of financial resources to aid in business activities. Pricing is a marketing function that involves determining and adjusting prices to maximize return and meet customers' expectations of value. Accounting is a financial activity or business function that involves keeping and maintaining financial records.
SOURCE: MK:002 Describe marketing functions and related activities
SOURCE: LAP-MK-002—Work the Big Seven (Marketing Functions)

69. D
Interviewing a finance director about their work experiences. A primary source is original. It is a person, event, or document that provides first-hand information about something. Magazine articles, online reviews, and documentaries are all examples of secondary sources that explain or summarize information obtained from primary sources.
SOURCE: PD:022 Identify sources of career information

70. C
Amounts owed to it. A business may use accounting to keep track of amounts owed to it. Without accurate financial records, businesses would not know if customers were paying their bills and cash was coming into the business. Accounting isn't used to keep track of marketing campaigns, customer information, or competitor information.
SOURCE: FI:085 Explain the concept of accounting
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)
71. C

Police department. To take appropriate action during an emergency, an employee must determine what the problem is. Because the safe was open, the office was in disarray, and a computer was missing, the business was probably robbed. In case the robber is still in the building, Josh should leave the business immediately and seek a safe environment. Then, following company procedures, Josh should notify his supervisor or the local law enforcement authorities (police). Josh should call the fire department if a fire occurs. The local health department handles issues associated with health risks. The owner should file a claim with the business's insurance company after the robbery has been reported to the appropriate law-enforcement authorities.

SOURCE: OP:010 Handle and report emergency situations

72. D

Easily understand it. Effective written communications are those that are presented clearly, in simple language, and in an interesting style so that readers will easily understand the message. Written business messages do not need to be entertaining. When written communications are unclear, complicated, or difficult to understand, readers tend to lose interest and ignore them. Readers should not have to read written communications many times to find out what they really mean.

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

73. B

Licensing. Licensing is the process of issuing a government permit allowing an individual or a business to function in the marketplace. Government uses licensing to regulate business when it grants or denies licenses. Service agencies are used to provide services, such as welfare and small business assistance, but they are not used to regulate business. Public goods are goods and services that are used by all people and cannot be withheld from people who don't help to pay for them. Industrialization is the change over from producing goods by hand labor to the use of machines and the organization of such production into industries.

SOURCE: EC:008 Determine the relationship between government and business
SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)

74. B

Dividends. A dividend is a sum of money that a corporation pays to a stockholder as earnings on an investment. The corporation usually pays dividends by check to stockholders on a quarterly basis. The stockholder can deposit the dividend check into a savings or checking account or convert it to cash. Credit, deposits, and cash are not forms of income that are earned by owning stock.

SOURCE: FI:061 Describe sources of income and compensation

75. B

Startup failure rates are high. Leadership is especially important at the beginning of a business because startup failure rates are high. A strong leader with a vision for the future, however, can help a new business weather the early storms and frustrations and stay on track for future success. Startup businesses will still pay employees, and not every company necessarily needs to have a president. Anyone with the desire can learn to be a leader.

SOURCE: EI:009 Explain the concept of leadership
SOURCE: LAP-EI-909—Lead the Way (Concept of Leadership)
76. B

Having a pleasant voice. Verbal communication has a much more positive effect on listeners when the speaker has a pleasant voice. Listeners are more likely to concentrate on the speaker's message than they would if the speaker's voice is harsh, unpleasant, or irritating. Enunciating, or pronouncing clearly, is important but should not necessarily be done rapidly. Mannerisms are part of body language, the way you express yourself through posture, facial expression, etc., and these are not forms of verbal communication. While reading from a script is occasionally appropriate, depending on the situation, it is not an important factor in effective verbal communication.

SOURCE: CO:147 Explain the nature of effective verbal communications

77. D

In different contexts and situations. A major part of being responsible means knowing how to act in different contexts and situations. It may be a job interview, a professional sporting event, a trip to a government building, etc., but the main idea of responsibility is to be able to adapt your behavior to the specific setting and situation.

SOURCE: EI:021 Demonstrate responsible behavior
SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)

78. D

When Naomi purchased office supplies, she presented the cashier with a card that automatically withdrew funds from her business's checking account. A debit card is a common method of payment for goods and services. Issued by financial institutions (e.g., banks), a cardholder scans the card into a machine at the point of sale. The information is transmitted to the appropriate location, and the funds are electronically transferred from the cardholder's checking or savings account to the seller's account. Credit is the arrangement in which businesses and individuals can purchase now and pay later. Individuals and businesses can obtain the goods and services that they need right away, such as airline tickets, and then pay for the tickets when they receive their statements from their lending institutions. Some businesses offer membership or customer-loyalty cards, which provide their members or customers with product discounts. Gift cards are store-issued vouchers that a gift giver can purchase for another person to use to buy the store's products.

SOURCE: FI:058 Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.)

79. C

Multiprocessing. The computer's operating system consists of the components needed to run all of the computer applications and programs. An operating system that allows several central processing units (computers) to access a single program has multiprocessing capabilities. Multithreading capabilities allow different components of one computer program to run at the same time. Augmented and hosted are not types of operating systems.

SOURCE: NF:085 Use basic operating systems
80. B
Customer inquiry procedures. Customer service is important to practically every company, whether it is a large manufacturing firm or a small “mom and pop” store. Companies implement procedures for handling customer inquiries so they can serve their patrons quickly and effectively. Disciplinary/Termination procedures outline a company’s processes for punishing employees that break the code of conduct. Human resources-related procedures describe processes for employee disputes and other human resources issues. Emergency procedures are designed to help keep customers, employees, and resources safe during crisis situations such as mass shootings, natural disasters, and health emergencies.

SOURCE: PD:250 Adhere to company protocols and policies

81. D
Work late to complete it on time. Working late shows that Jhenae has initiative because she is willing to work hard to accomplish her assigned work. If Jhenae leaves the work unfinished, asks for an extended deadline, or asks her teammates to help, she will show a lack of initiative by not accepting personal responsibility for completing her assignment on time.

SOURCE: EI:024 Demonstrate initiative
SOURCE: LAP-EI-240—Hustle! (Taking Initiative at Work)

82. A
Ordinary life. Ordinary life is a type of life insurance that pays benefits on the death of the policyholder. It also provides a savings and investment program at current market rates and has cash value. Term is a form of life insurance that covers a specific number of years. Homeowner's insurance protects property owners from damage to their property. It usually includes liability insurance, which protects the homeowner if someone else is injured on or by their property.

SOURCE: FI:081 Describe the concept of insurance

83. C
The credit limit is set at the time the credit account is opened. A revolving credit account is a type of credit account that limits the total amount of money that may be owed and charges interest on outstanding balances. With a revolving credit account, the credit limit is set at the time the credit account is opened. An installment credit account is a type of credit account set up to handle one total amount of credit that is to be paid off in regular installments within a certain period of time. Service credit is credit used for utilities that have been consumed but not yet paid for. A budget credit account is a form of short-term credit often set up for 60- or 90-day periods with a payment due every 30 days, and it does not charge interest if a credit user makes payments on time.

SOURCE: FI:002 Explain the purposes and importance of credit
SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

84. A
Currency. Currency is government-issued specimen that are accepted as payment for goods and services. Credit cards, money market accounts, and certificates of deposit are not mediums of exchange.

SOURCE: FI:059 Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.)
85. A
Spelling. The words "representative" and "apply" were misspelled in the opening paragraph. These errors will create a negative impression on the employer. Before submitting a letter of application, you should check for correct spelling, grammar, and punctuation. The opening paragraph does explain the reason that you are writing the letter—the purpose of the opening paragraph.

SOURCE: PD:030 Write a letter of application

86. B
Excess supply causes a decrease in prices. Excess supply is the situation that exists when supply is greater than demand, causing prices to decrease. Buyers and sellers have opposing objectives in the marketplace. Buyers want to make sure the product is worth the price, and sellers want to make a maximum profit. The equilibrium price is the point at which the quantity of a good that buyers want to buy and the quantity that sellers are willing to sell at a certain price are exactly equal. This rarely occurs. Rationing determines how scarce resources will be distributed.

SOURCE: EC:006 Describe the functions of prices in markets
SOURCE: LAP-EC-906—When More Is Less (Functions of Price)

87. A
Acceptable procedures. GAAP (Generally Accepted Accounting Principles) is a set of standards that provides accountants with acceptable procedures and processes for their jobs. It does not provide technology, networking opportunities, or professional development.

SOURCE: FI:579 Describe the need for financial information
SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

88. D
Taxes. Taxes are a heavy burden in socialist command economies. The high taxes that have been imposed to pay for government human-services programs reduce individuals' incomes and make the costs of production higher for businesses. Privately owned businesses are allowed to compete with state-owned businesses in socialist economies, but they must abide by the state's master plan in whatever way is necessary. A shortage of consumer goods is usually associated with a communist command economy rather than a socialist command economy. Profit is the financial gain of a business after all expenses have been paid.

SOURCE: EC:007 Explain the types of economic systems

89. D
Laissez-faire. Laissez-faire leaders exercise little or no control over their subordinates. Democratic leaders seek input from employees and encourage them to participate in planning and decision-making. They tend to share authority with their subordinates. Authoritarians enjoy being in command. They rely almost completely upon their own judgment and give very specific orders and instructions to employees. Assertive is not a style of leadership.

SOURCE: EI:037 Foster positive working relationships
SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)
90. B

Provide a mortgage. Cecelia could reach out to her bank to apply for a mortgage to buy a home. While banks offer wealth management, mobile check deposits, and brokerage services, none of these is specifically related to buying a home.

SOURCE: FI:075 Describe types of financial-services providers

91. A

If you're struggling to pay your bills, you should contact your creditors to work out a modified payment plan. As soon as you begin to struggle financially, it's a good idea to contact your creditors. They may be willing to work out a more realistic payment plan for you. However, if you don't contact your creditors soon enough, it may be too late. Generally, once a debt collector has been asked to collect your payment(s), it is too late to work out a new payment plan with your creditor. Debt collectors are generally prohibited from contacting you at night or at your place of employment (if your employer doesn't approve the calls). Debt collectors are usually required to adhere to requests for no further contact. Secured loans are tied to your personal assets, such as your car or home. When you fail to make your payments on a secured loan, you risk the creditor reclaiming your assets. Debts do not go away if you fail to pay them for 15 years.

SOURCE: FI:568 Control debt

92. C

Generous. Those who are fair to others share with everyone. They do not allow their own selfishness to outweigh their desire to give equally to those who deserve it. In this case, Trina is being generous by sharing the credit for a job well done with everyone on her team rather than keeping all the praise for herself. In this situation, Trina is not demonstrating open-mindedness, consistency, or impartiality.

SOURCE: EI:127 Demonstrate fairness
SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)

93. D

Discrimination. Discrimination is unfair treatment of a person or a group based on the person's or group's characteristics. It is the action that results from stereotypes and prejudices. Stereotypes and prejudice put into action are not bias or unconscious bias. Finally, racism is one form of discrimination, but stereotypes and prejudice can manifest themselves in other forms of discrimination as well.

SOURCE: EI:017 Recognize and overcome personal biases and stereotypes
SOURCE: LAP-EI-917—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

94. A

Marketing. The marketing concept is a philosophy of conducting business that is based on the belief that all business activities should be aimed toward satisfying consumer wants and needs while achieving company goals. While utility and the marketing concept go hand in hand, the utility concept is not a term commonly used to refer to the marketing concept. The marketing concept is also not typically referred to as the customer concept or the relative concept.

SOURCE: EC:004 Determine economic utilities created by business activities
SOURCE: LAP-EC-013—Use It (Economic Utility)
95. A

Face your fear head-on. If you fear change, acknowledge that fact, and work to overcome it. Face the change you fear head-on, and deal with it one step at a time. Pretending that your fear doesn't exist, hoping it will go away, or keeping it hidden are passive approaches that will not help you overcome your fear.

SOURCE: EI:026 Adjust to change

96. D

Passed over for promotions. Most businesses try to act in an ethical manner, and they expect their employees to also behave ethically. Employees who behave unethically on the job may harm themselves by being passed over for promotions even if they are well qualified. Coworkers and supervisors often notice other employees' unethical behavior and may lose respect for them because of it. These employees may be passed over for promotions because their supervisors do not trust them to do the right thing, particularly in higher level positions that give them more authority. Employees are not harmed by attending training programs or being rotated to similar positions. Unethical behavior is not necessarily illegal.

SOURCE: EI:004 Demonstrate ethical work habits
SOURCE: LAP-EI-004—Work Right (Demonstrating Ethical Work Habits)

97. C

Flexible. Flexibility is the ability to adapt to changes as they occur. When employees are demonstrating adaptability, they are able to be flexible and adjust to changing conditions. When employees demonstrate adaptability, they are not necessarily being aggressive, honest, or creative.

SOURCE: EI:006 Demonstrate adaptability
SOURCE: LAP-EI-006—Go With the Flow (Demonstrating Adaptability)

98. D

Buying power. The consumers have lost a portion of their ability to buy other goods by purchasing this product. Desires are fulfilled when they purchase this product. Demand for a product has not decreased when one consumer purchases it. Utility will be gained from the product, hence the consumers' desire to purchase it.

SOURCE: EC:005 Explain the principles of supply and demand
SOURCE: LAP-EC-011—It's the Law (Supply and Demand)

99. D

Compare numerous different sources. By gathering and comparing information from many different news sources, you can distinguish fact from bias more easily—allowing you to learn about a topic as objectively as possible. It's not a good idea to rely on a single news source for information, since that source may be biased. Opinion columns in the newspaper are inherently biased because they are personal opinions rather than fact. It is unnecessary to distrust the national news media to learn objective information about a news topic.

SOURCE: NF:079 Evaluate quality and source of information
100. A

Being fair. Fairness means treating others the way that you'd like to be treated. Creating equal relationships encourages other people to trust you. Taking responsibility for your mistakes, keeping your promises, and communicating often and openly are other techniques used to build trust.

SOURCE: EI:128 Build trust in relationships
SOURCE: LAP-EI-128—Trust in Me (Building Trust in Relationships)