

KEY

Test Number 1037

Business Administration

Core Exam

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1. D
Sole proprietorship. The owner of a sole proprietorship receives all the profits from the business but must also assume all the risks of operating the business. A corporation is owned by its stockholders, and a partnership (e.g., general, limited) is owned by two or more people. A merger is the absorption of one company by another company.
SOURCE: BL:003
SOURCE: BL LAP 1—Own It Your Way
2. D
Business letters. Business letters are the most common form of written communication used by businesses to exchange information with other organizations or with customers. Memorandums are informal letters or notes between a company's employees. They are the main form of written communication within a business. Telephone calls and meetings are not forms of written communication.
SOURCE: CO:016
SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 94-95]. Boston: McGraw-Hill/Irwin.
3. A
Ask her supervisor to clarify the directions. If there is any concern about the assignment directions, Theresa needs to clear those up by speaking to her supervisor. Even though talking with her supervisor may delay the completion of the project, it is better to finish the assignment correctly than turn in work that doesn't meet the supervisor's intent. Restarting the assignment without clarifying the directions may lead to work that doesn't meet the supervisor's intent. Instead of emailing coworkers, Theresa needs to get clarification from the person who wrote the directions. Any input the coworkers give is simply their opinions.
SOURCE: CO:056
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 175). New York: Glencoe/McGraw-Hill.
4. D
Remember only so much information at one time. It is usually effective to verbally explain simple directions or instructions. However, if the directions or instructions are more complicated, employees usually are better able to follow written directions. The human brain is capable of remembering only so much information at one time. If the verbal directions or instructions are long and complicated, many employees will have difficulty remembering and following them. On the other hand, employees can refer to written directions or instructions at any time if they forget a step or a process. Body language might indicate if employees understand verbal directions or instructions. Employees usually are encouraged to ask questions and provide feedback to clarify their understanding of directions or instructions.
SOURCE: CO:119
SOURCE: Hyden, J.S., Jordan, A.K., Steinauer, M.H., & Jones, M.J. (2006). *Communicating for success* (3rd ed.) [pp. 113-116]. Mason, OH: Thomson South-Western.
5. B
Stop talking. People need to follow certain guidelines in order to improve their listening skills. One of the most important guidelines is to remember to stop talking. Most people prefer to talk, but it is not possible for people to effectively listen until they stop talking and focus on what others are saying. People should also stop performing other activities, such as working, in order to listen effectively. Asking questions helps to improve listening. Practicing is not a guideline that people should follow in order to develop effective listening skills.
SOURCE: CO:017
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 52-53]. Upper Saddle River, NJ: Pearson Prentice Hall.

6. B

Smiling. A smile conveys a positive message and reinforces good news. Poor posture sends the message that a person doesn't really care about what s/he is saying. Lack of eye contact sends a message that the speaker may not be telling the truth or may wish to be doing something else.

SOURCE: CO:059

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 425-427]. Boston: McGraw-Hill/Irwin.

7. A

To effectively convey information. Certain communication styles are more appropriate for some audiences than for others. It is important to understand the target audience in order to use the style that will most effectively convey information. For example, the communication style that is effective when speaking to coworkers on the same level is probably not the same style that will be effective when speaking to a group of managers or customers. Feedback is a response to a certain behavior or attitude. Organizing presentations involves gathering information and developing visuals. It is not important to use communication styles to establish control.

SOURCE: CO:084

SOURCE: Miculka, J.H. (2007). *Speaking for success: Annotated instructor's edition* (2nd ed.) [pp. 87-93]. Cincinnati: South-Western Educational.

8. C

Verbal. Individuals who have effective verbal skills have the ability to communicate with the use of words. When explaining and defending their ideas objectively, individuals often are speaking to others and using verbal communication. Having effective verbal skills enables individuals to speak in an organized manner and present information in a logical order. They are able to speak clearly and provide supporting information in a way that others will understand. Individuals do not necessarily need to have effective technical, computer, or reading skills to be able to explain and defend their ideas objectively.

SOURCE: CO:061

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 184-187). New York: Glencoe/McGraw-Hill.

9. A

Sharing a personal experience. Discussion tools for contributing in an open-minded way include: asking questions, building on someone else's comment, volunteering a new idea, pointing out missing information, and helping the group summarize what's been said. You may indeed share a personal experience, but it is not a discussion tool.

SOURCE: CO:053

SOURCE: QS LAP 29—Put In Your Two Cents

10. D

Information will be needed later. In many situations, the information provided during meetings or presentations will be needed later. Therefore, it is often important for participants to take notes so they will have access to the information in the future. For example, participants may need to write a summary of the meeting to give to supervisors. If the speaker is difficult to understand, participants should ask questions. The audience does not take notes to have something to do. Writing does not necessarily keep the mind focused.

SOURCE: CO:085

SOURCE: Odgers, P. (2004). *The world of customer service* (p. 129). Mason, OH: South-Western.

11. A
A bibliography. Citing sources verifies that a website is using accurate information in the same manner that citing sources in a written report confirms accuracy. A table of contents simply shows what is included in the site. It doesn't confirm the accuracy of the contents. A professional look to a website only confirms that the site is designed by a good designer. It does not guarantee that any of the content is accurate. While a recently updated website confirms that information is timely, it does not confirm that the information is accurate. Opinions expressed yesterday by one person are not necessarily accurate, even though they may be current.
SOURCE: CO:054
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 476]. Upper Saddle River, NJ: Pearson Prentice Hall.
12. C
No paragraph indents. Many businesses use the full-block method to format business letters. All components of the letter (date, address, greeting, body, closing, signature block) use left justification, which means all text is aligned on the left side of the margin. Writers using the full-block format do not indent the first sentence of each paragraph. Other formatting characteristics of full-block letters are the use of single-spacing within the paragraphs and the use of double-spacing between the paragraphs.
SOURCE: CO:088
SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 564-565]. Boston: McGraw-Hill/Irwin.
13. C
Refer to the appropriate publisher's style manual. To provide consistency throughout written documents, certain businesses or industries often follow a specific writing style, such as Associated Press (AP) or Chicago Manual. Each style varies and often uses different styles and standards. For example, one style may italicize book titles and another style may underscore book titles. Most style publishers post style information on their web sites, as well as in physical manuals or reference books. The best way to verify a specific style or format is to consult the publisher's manual or web site. Coworkers, dictionaries, and readers are not the most reliable sources for publishing styles and standards.
SOURCE: CO:089
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. A-21]. Upper Saddle River, NJ: Pearson Prentice Hall.
14. D
Clarity. Communication that is expressed clearly is described as having clarity. Caution is carefully stating a point in order to avoid conflict or misunderstanding. Courtesy involves the use of tact and consideration, while consensus is group opinion.
SOURCE: CO:133
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 156-157]. Upper Saddle River, NJ: Pearson Prentice Hall.
15. D
Please complete this form so that product improvements can be made based on your needs. This informational message focuses on how the form benefits the receiver of the message. The three other alternatives focus on the benefits the sender will receive from the completed forms.
SOURCE: CO:039
SOURCE: Lehman, C. & DuFrene, D. (2005). *Business communication* (14th ed.) [pp. 89-90]. Mason, OH: South-Western.

16. A
Downward communication. When management sends messages to lower-level employees, it is often called downward communication. External networking is communicating with people or businesses outside the company. Lateral interaction (communication) occurs between employees or coworkers at the same level, such as two customer-service representatives or two assistant buyers. Invasive messaging is a fictitious term.
SOURCE: CO:092
SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [p. 7]. Boston: McGraw-Hill/Irwin.
17. B
Contribute at least one thought to every staff meeting in which you participate. While contributing is important, it should only be done if you have something meaningful to contribute. Setting goals for the number of times you speak up during a meeting can lead to time spent on unnecessary discussions. It is important to understand the purpose of the meeting prior to attending so that you can think about any contributions you can make about the topics to be covered. It is inevitable that conflicting viewpoints will surface during meetings. Always be courteous and respectful of both the leader and the other participants. This includes behaving professionally when differing points of view are addressed to avoid arguments.
SOURCE: CO:063
SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 416-417]. Boston: McGraw-Hill/Irwin.
18. D
Friendly. Positive customer/client relations are important to the success of the business because they help to create repeat business. Many businesses encourage employees to adopt a friendly, helpful attitude toward customers as part of their efforts to create positive relations. Being reserved could prevent employees from offering appropriate help and might be interpreted as coldness. Being talkative may offend customers or prevent employees from identifying their needs. Being authoritative is only appropriate when providing the customer with technical or factual information.
SOURCE: CR:003
SOURCE: Rokes, B. (2002). *Customer service: Business 2000* (pp. 52-54). Mason, OH: South-Western.
19. D
Departments. A knowledge of the location of various departments will enable the salesperson to assist customers with the greatest amount of efficiency. Products would not be kept in offices. Within a department, they may be stocked by size or color.
SOURCE: CR:006
SOURCE: Odgers, P. (2004). *The world of customer service* (pp. 129-130). Mason, OH: South-Western.
20. B
Product. The product policy determines which products the business will offer. These products act as "drawing cards" that attract customers. Credit policies control the use of payment plans that allow customers to purchase now and pay later. Service policies provide special features to encourage customers to select one business over another. Return and delivery are types of service policies.
SOURCE: CR:007
SOURCE: Rue, L.W., & Byars, L.L. (2006). *Business management: Real-world applications and connections* (pp. 241-242). Woodland Hills, CA: Glencoe/McGraw Hill.
21. B
Suspicious. These customers question everything and want proof that what they are being told is accurate. Disagreeable customers are unpleasant and hard to help. Domineering/Superior customers are overly confident and feel that they know more and are better than the average person. Dishonest customers intentionally attempt to avoid paying part or all of the price for a good or service.
SOURCE: CR:009
SOURCE: CR LAP 3—Making Mad Glad (Handling Difficult Customers)

22. B
Complaint. The complaint may express dissatisfaction with the business, its employees, or its products. If the complaint is valid, an apology or other expression of regret on the part of the business would be appropriate. An excuse is generally considered an invalid reason for not making buying decisions. An objection is a point of difference between a customer and a salesperson that may prevent a sale—it is the customer's reason for not buying.
SOURCE: CR:010
SOURCE: Odgers, P. (2004). *The world of customer service* (p. 51). Mason, OH: South-Western.
23. A
Provide the customer. A brand promise is similar to a guarantee. It is what the business intends to provide the customer. A brand promise differs from business to business depending on the type of business. For some businesses, the brand promise might be quality at a low price, or dependable service, or reliability. Whatever the promise, that is what customers expect from the business. A business's brand promise is not what the business intends to sell to the target market, name its product, or use as a trademark.
SOURCE: CR:001
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 654-656). New York: Glencoe/McGraw-Hill.
24. B
Who makes the purchase. The difference between a consumer good or service and an industrial good or service is simply a matter of who buys the item and for what purpose. If a producer buys an item for use in office work, it is an industrial good. If an individual buys an item for personal use, it is a consumer good. How the purchase is made, the price of the purchase, and when the purchase is made are not deciding factors in determining whether an item is a consumer or industrial good.
SOURCE: EC:002
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 5, 13). Woodland Hills, CA: Glencoe/McGraw-Hill.
25. B
Trade-off. Trade-offs involve choosing among alternatives, such as picking one item over another, or giving up one thing to get another. A tentative agreement is a temporary settlement that has not yet been finalized. An economic model is a real-world representation used by economists to analyze alternate solutions. In economics, value is the usefulness or importance of goods and services. Making a value judgment is the process of comparing the value of one good to another.
SOURCE: EC:001
SOURCE: EC LAP 6—Are You Satisfied? (Economics)
26. D
Form. Form utility is usefulness created by altering or changing the form or shape of a good to make it more useful to the consumer. The lumber business is creating form utility by turning tree trunks into boards that consumers can use. Place utility is usefulness created by making sure that goods or resources are available at the place where they are needed or wanted by customers. Time utility is usefulness created when products are made available at the time they are needed or wanted by consumers. Possession utility is usefulness created when ownership of a product is transferred from the seller to the user.
SOURCE: EC:004
SOURCE: EC LAP 13—Use It

27. D

Buyer's market. When a buyer's market exists, there is a large supply of a product with a small demand for it. This condition often results in lower prices. The law of supply states that the quantity of goods or services that will be offered for sale varies in direct relation to its selling price. The law of demand states that the quantity of a good or service that consumers will buy varies inversely with the price of the good or service. A seller's market exists when demand is so great that consumers will buy regardless of high prices.

SOURCE: EC:005

SOURCE: EC LAP 11—It's the Law (Supply and Demand)

28. D

The best products at the best prices. A socially responsible business will attempt to operate in such a way as to make this possible. Producing lower quality products to sell at reduced prices may harm the image of the business. Producing high-quality products to sell at high prices will limit the business's market. Producing the best products without regard to their cost will eventually lead to financial ruin.

SOURCE: EC:070

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

29. C

Marketing. This is the process of creating, communicating, and delivering value to customers and managing customer relationships in ways that benefit the organization and its stakeholders. Marketing is involved in getting goods from producers to consumers. Administration is the day-to-day operation of a business. Merchandising is the process of having the right goods in the right place at the right time in order to make a profit. Free enterprise, or private enterprise, is an economic system in which individuals and groups, rather than government, own or control the means of production.

SOURCE: EC:071

SOURCE: EC LAP 19—Strictly Business (Business Activities)

30. D

Cuba - Communist command. Communism is a command economic system in which the Communist Party is in control of the economic system and there is no private ownership of the means of production and distribution. Cuba and China have communist command economic systems. Great Britain has a socialist command economy, and Japan has a market economy.

SOURCE: EC:007

SOURCE: EC LAP 17—Who's the Boss? (Economic Systems)

31. C

Competition. Competition is the rivalry between two or more businesses to attract scarce customer dollars. Capitalism is another term for private enterprise, or a market economy, in which the means of production and distribution are owned and controlled by individuals and businesses. The right to own private property is a characteristic of capitalism. The price system in private enterprise allocates the distribution of resources according to supply and demand.

SOURCE: EC:009

SOURCE: EC LAP 15—People Power (Private Enterprise)

32. D

200%. The productivity of a business is the amount of goods and services produced by a business from a set amount of resources. It is usually expressed as a percentage or as a ratio such as 2 to 1. It is not stated in dollars or number of units. 5/10 net 30 is an example of dating terms of payment which express the cash discount policy on purchases (5% if paid within 10 days) and the number of days in which the total bill must be paid.

SOURCE: EC:013

SOURCE: EC LAP 18—Make the Most of It (Productivity)

33. D
Recognize and manage emotions in ourselves and others. Emotional intelligence allows us to be aware of and manage our own emotions and the emotions of others. Our responses do not have to be calm to be emotionally intelligent, since sometimes an excited response is a good thing. With emotional intelligence, we will not necessarily apply rational solutions (use logic) or interact with others in a highly emotional way (through tears, laughter, etc.). But, we will recognize and manage the emotions we identify in ourselves and others. This intelligence is evidenced by things such as having a positive attitude, interacting well with others, and refusing to get discouraged easily.
SOURCE: EI:001
SOURCE: EI LAP 6—EQ and You (Emotional Intelligence)
34. B
Stereotyping. A stereotype is a set image or an assumption about a person, a group of people, or a thing. Assuming that all people of a certain nationality will work long hours for low pay is stereotyping because it makes a judgment about a group as a whole rather than about individuals. Discrimination is unfair treatment of a person or a group based on the person's or group's characteristics. Prejudice is opinion or judgment that is based on feeling or hearsay, rather than fact. Harassment is any kind of behavior toward another person that is carried out for the purpose of annoying or threatening the individual.
SOURCE: EI:017
SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [pp. 376, 389-390]. Mason, OH: South-Western Cengage Learning.
35. C
Let's report it to the manager." A responsible employee will be understanding and try to assist customers in solving problems, rather than criticizing them or leaving them to solve their own problems.
SOURCE: EI:021
SOURCE: PD LAP 7—Make the Honor Role (Acting Responsibly)
36. A
Truth. Individuals with honesty and integrity are truthful to others. Ethics are the basic principles by which you live—the philosophy that guides your behavior. Deception and fakery are the opposite of truthful, authentic, and honorable.
SOURCE: EI:022
SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [p. 352]. Mason, OH: South-Western Cengage Learning.
37. A
Typing letters to friends. Company resources are meant to aid in the production of goods and services for customers, not to help employees take care of their personal lives. Using company equipment and time to type letters to friends is an activity that is considered unethical because it does not benefit the business. Putting postage on envelopes, sending e-mail to customers, and faxing orders to suppliers are ethical activities that employees routinely perform on behalf of the business.
SOURCE: EI:004
SOURCE: EI LAP 4—Work Right (Ethical Work Habits)
38. B
Cooperative. Having a positive attitude toward coworkers makes you more tolerant, cooperative, helpful, and considerate. This creates a pleasant work atmosphere in which coworkers support each other. Positive people are generally conscientious, but that does not cause their coworkers to be conscientious. Unproductive or destructive behavior would result from a negative attitude.
SOURCE: EI:019
SOURCE: EI LAP 3—Opt for Optimism

39. B

By helping you to be objective. Self-control helps you to think clearly by enabling you to keep your emotions under control. This helps you to be open-minded and objective. Self-control helps you to deal with criticism without becoming defensive, but that is not part of clear thinking. Self-control helps you to deal with coworkers by helping you to think before you speak.

SOURCE: EI:025

SOURCE: EI LAP 14—Control Yourself! (Demonstrating Self-Control)

40. B

Ask the supervisor for more information. A good supervisor will not try to confuse employees or make employees guess what to do. You should find out what is expected and make changes rather than continue to perform as usual. It's never appropriate to blame someone else. Asking a coworker for advice is seldom advisable.

SOURCE: EI:003

SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)

41. A

Social. Social changes include styles of clothing, hair styles, music preferences, attitudes toward others, or any kind of change that affects people's personal choices. Economic changes reflect the fluctuations in our economy. Governmental changes reflect new or revised laws, regulations, policies, or public services. Technological changes are developments, breakthroughs, and other changes in the fields of science, engineering, etc.

SOURCE: EI:026

SOURCE: QS LAP 15—Stuff Happens! (Adapting to Change)

42. B

Privacy does not exist. Although businesses should not read the messages that their employees send or receive by e-mail, the businesses have a right to do so because it is their system and it is being used on company time. Employees who use company e-mail should assume that privacy does not exist and that whatever they write can be accessed and read by others. With this in mind, employees should avoid sending and receiving personal e-mail or making derogatory comments about coworkers, because their messages are not private. Employees should assume that their e-mail messages might be read by others because businesses have a right to monitor the system.

SOURCE: EI:029

SOURCE: Everard, K.E., & Burrow, J.L. (2001). *Business principles and management* (11th ed.) [p. 527]. Cincinnati: South-Western.

43. D

Cultural sensitivity. Cultural sensitivity involves being sensitive to the customs, habits, and traditions of a particular group of people. When doing business in other countries, it is important to first be aware that people throughout the world live and think very differently than we do. They may have local preferences, habits, and customs that are even contradictory to ours. So, it is important to know what these are and to adapt product names, promotional approaches, and, often, even products themselves, where necessary. Customization means inventing a completely new product for a different country's market, while globalization means keeping products and advertising messages the same throughout the world. Nationalization refers to a government taking ownership of something and is not related to the concept of cultural sensitivity.

SOURCE: EI:033

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [pp. 107-108]. Woodland Hills, CA: Glencoe/McGraw-Hill.

44. A
Ignoring. Ignoring (withdrawal) is a conflict response mode in which a person pretends that a conflict doesn't exist. Both parties exhibit passive behavior and express a low level of cooperation. Sometimes a person goes out of his/her way to avoid the person with whom s/he is having a conflict, which can increase stress levels and lower productivity. The yielding response mode involves giving the other person what s/he wants and the negotiating response mode involves a compromise. The problem solving response mode involves considering all sides of the disagreement to resolve the conflict.
SOURCE: EI:015
SOURCE: EI LAP 7—Stop the Madness (Conflict Resolution in Business)
45. A
Cooperate with each other. Teamwork and cooperation are synonymous. The members of a team must help each other and work well together. This is true whether the team is voluntary or appointed by management. Team members should not all have the same opinions but contribute their individual thoughts and ideas. The leader should guide the team, not dominate it.
SOURCE: EI:045
SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [pp. 185-186]. Mason, OH: South-Western Cengage Learning.
46. D
Willingness to take risks. Samuel is unsure about his application to be a caddy, but he is still willing to take the risk of applying. It may be that he will change his mind once he finds out about the pay, the people he will be working with, and the hours. Self-management is about directing and controlling one's emotions in a way that is purposeful, something that Samuel does not have to demonstrate at the moment. His decision to apply also does not demonstrate social awareness or creativity.
SOURCE: EI:009
SOURCE: QS LAP 27—Follow Me
47. B
Deal with change. Adaptability is the ability to adjust or modify attitudes and/or behavior to new situations or circumstances. Changes and new situations are common in the workplace. When employees are adaptable, they are able to deal with change and even learn from new situations. This is a benefit because employees who are not adaptable may experience stress or not be able to be productive when faced with new situations. Being adaptable does not necessarily enable employees to manage their time, take the initiative, or avoid a conflict.
SOURCE: EI:006
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 221). New York: Glencoe/McGraw-Hill.
48. A
Work toward a shared vision. When employees feel that they are an important part of the business, they usually are willing to work to achieve the business's goals. Managers can encourage this feeling by involving employees in making decisions and sharing ideas. When employees participate in developing the goals and objectives, they share in the vision of the business and are encouraged to work to achieve it. Involving employees in making decisions and sharing ideas will not necessarily encourage them to show respect for others or demonstrate ethical behavior. Personality traits are an individual's qualities.
SOURCE: EI:060
SOURCE: DuBrin, A.J. (2004). *Leadership: Research findings, practice, and skills* (4th ed.) [pp. 343-344]. New York: Houghton Mifflin.

49. A

Approachable. Coaching is enabling other people to reach their true potential by helping them overcome barriers that are keeping them from doing so. To help others reach their true potential, effective coaches show their concern for and support of others by being patient, dependable, and approachable.

Approachable coaches have the attitude and demeanor that says, "You can always talk to me. I am here for you." A person who is distracted or overly critical of others is being insensitive to others' feelings, and is not exhibiting characteristics of an effective coach. Although an effective coach should have a pleasant personality, s/he does not need to be amusing or entertaining.

SOURCE: EI:041

SOURCE: QS LAP 7—Bring Out the Best (Coach Others)

50. A

Management style. The way in which supervisors guide the work of employees depends upon their management style. Management style is the way or manner in which a person goes about the task of influencing others. Management styles include authoritarian, democratic, and laissez-faire. A supervisor's level of education, technical skills, and desire for success may affect the choice of management style.

SOURCE: EI:037

SOURCE: EI LAP 5—Can You Relate? (Positive Working Relationships)

51. D

Pay interest on purchases. Credit is the arrangement by which individuals or businesses can purchase now and pay later. Many types of businesses (e.g., banks, large retailers) offer credit cards to consumers and businesses to purchase goods and services. Usually, the credit-card issuer sends the credit-card holder a monthly statement. The information on the statement includes a list of the purchases made during the billing cycle and the amount owed for the purchases, which includes the interest charges. If the credit-card holder pays the minimum amount due, the amount of interest owed accumulates on the balance due until the debt is paid off. Because interest rates can be high, this can be a disadvantage to the credit-card holder. It is important to establish a good credit rating in order to borrow money in the future from other lenders. Therefore, establishing a credit rating is not necessarily a disadvantage. Credit-card holders do not earn quarterly dividends on their credit cards. Temporary deferment of cash payment is an advantage to credit-card holders.

SOURCE: FI:058

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 95-97, 155). New York: Glencoe/McGraw-Hill.

52. C

Unit of measure. Money can serve as a unit of measure to determine or compare the relative worth of different products. Chris compares the monetary value of the two candy bars and selects the less expensive one. While money does serve as the medium of exchange in this example, the fact that Chris is using money instead of some other medium of exchange does not directly impact his decision. Money would serve as the medium of exchange even if he purchases the more expensive candy bar. Store of value means that money can be held over time and still have purchasing power at a later date. The money that Chris is using is not a commodity because it does not have another use.

SOURCE: FI:060

SOURCE: Friedman, D.H. (2003). *Money & banking* (5th ed.) [p. 2]. Washington: American Bankers Association.

53. A

The time value of money. Kimberly understands that the \$1,000 available to her now is worth more than the same \$1,000 two years from now. By placing the \$1,000 in a savings account now, she can earn interest on that \$1,000. So, in two years, she will have more than \$1,000 to put toward her college expenses. Dollar cost averaging involves investing a predetermined amount of money on a regular basis. Kim is investing all of her money in a savings account at the same time, so she is not engaging in dollar cost averaging. Capital gains are earnings from the appreciation of a stock investment, and Kimberly is not purchasing stock with the money. The rule of 72 is an equation that tells you how long it will take to double your money at a given interest or return rate. Savings accounts usually offer single-digit interest rates, so it would take decades for Kimberly's money to double in a savings account. She plans to use it in two years, so the rule of 72 played no part in her decision making.

SOURCE: FI:062

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 15-19, 30-36]. New York: McGraw-Hill Irwin.

54. D

To be competitive. Businesses must compete with each other for customers. The convenience of being able to buy now and pay later is often the deciding factor for customers when they are selecting a company with which to do business. Extending credit to customers does not help the business to purchase stock as needed. It may, in fact, make it more difficult since the business may not have as much cash on hand to pay for stock as it would if its customers paid in cash. Extending credit is an expense to the business, not a saving.

SOURCE: FI:002

SOURCE: FI LAP 2—Give Credit Where Credit is Due (Credit and Its Importance)

55. D

Generate retirement income. Most individuals analyze their future financial needs in order to make investments that will generate income in the future. The reason for the investments is to have income to support them during retirement. Individuals estimate future living expenses and make investments in the hope of generating adequate retirement income. Individuals do not make investments based on their future financial needs to avoid paying taxes, set up a trust fund, or develop a living will.

SOURCE: FI:064

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 477-496). New York: Glencoe/McGraw-Hill.

56. B

Non-essential. The gum and the magazine are extras. An example of an essential expense would be paying the rent or car loans. Rent and car loans are also examples of fixed expenses. Variable expenses are also essential expenses, but they vary from month to month. Some examples are heating and electric bills, and gasoline.

SOURCE: FI:066

SOURCE: Lowe, R.E., Malouf, C.A., & Jacobson, A.R. (2003). *Consumer education & economics* (5th ed.) [p. 54]. New York: Glencoe/McGraw-Hill.

57. A

Payroll deductions. Payroll deductions are monies that an employer withholds from an employee's gross earnings. A large portion of the deductions is the various income taxes, which the employer pays to the government on behalf of the employee. Other deductions might include health insurance premiums, voluntary savings, and child-support payments. Gross earnings are the employee's wages before the deductions are calculated. Net pay is the amount the employee receives in his/her paycheck after the deductions have been subtracted from the gross earnings. An expense refund is money owed the employee by the business for out-of-pocket expenses.

SOURCE: FI:068

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 613). New York: Glencoe/McGraw-Hill.

58. D
Purchase. When individuals make investments, they receive purchase documents that include information about the cost of the investment and any commissions or fees that were paid. Individuals should keep these documents in their records to verify ownership and to be able to determine if it was a good investment over a period of time. For example, the purchase record would indicate the cost (perhaps it was \$25 a share), the total amount purchased (100 shares for a total of \$2,500), and a fee of \$30. By comparing the purchase records to actual value in five years, an individual will be able to decide if the investment was worthwhile. Perhaps the cost per share is \$40 a share in five years. An individual might consider this to be a good return on the investment. Deposit, finance, and credit records usually do not contain information about investments.
SOURCE: FI:069
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 261-262). New York: Glencoe/McGraw-Hill.
59. B
Buy more with his card than he can afford. If Jeff does this, he will be headed towards a mounting credit card debt. He should pay his bill on time to build good credit. Thinking of his card as a loan and tracking his spending habits will keep him from overspending.
SOURCE: FI:071
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 171]. New York: McGraw-Hill Irwin.
60. A
Damage to credit history. If steps are not immediately taken to rectify any damages caused by identity theft, the victim of the theft could spend years trying to rebuild his/her credit and savings. If one's identity is stolen, s/he will not need to get a new identity. Unemployment and homelessness are not results of having one's identity stolen.
SOURCE: FI:073
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 176-178, 182-184]. New York: McGraw-Hill Irwin.
61. A
Local bank. Local banks are typically more conservative, but they understand the needs of small-business owners. Once a positive relationship is established with a local bank, Chris can use the bank to finance short-term loans for inventory and equipment. This makes them a good choice for financing the opening of a small business. National banks are more likely to give loans to large corporations than to small start-up businesses. Insurance providers do not give out loans. Online banks do make loans; however, because it is so difficult to access someone at an online bank, it is not ideal for small-business owners.
SOURCE: FI:075
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 558). New York: Glencoe/McGraw-Hill.
62. B
Investment. An investment is the use of money to generate a profit or gain. One type of investment is an employer-sponsored retirement plan. Employees contribute a portion of their pay to the plan, and employers often match that amount. Once the employees retire, they are eligible to receive income from the plan. This is a way of investing money to generate a profit that will be used to provide income upon retirement. An employer-sponsored retirement plan is not a type of credit account, inheritance, or living trust.
SOURCE: FI:077
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 241). New York: Glencoe/McGraw-Hill.

63. C
Cash method. With the cash accounting method, income and expenditures are recorded at the time the money changes hands. Expenses are not recorded when they are incurred but on the date that the bills for them are paid. The accrual method would have recorded the expense at the time it was incurred, regardless of when the check was written to pay the bill. COD and check are methods of payment but not accounting methods.
SOURCE: FI:085
SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)
64. C
Going concern. Generally accepted accounting principles (GAAP) are universal rules that accountants use when they prepare and summarize financial reports. Presenting financial information in a consistent format helps accounting professionals understand financial information across many types of businesses and industries. When setting up an accounting system, accountants consider three assumptions—going concern, business entity, and accounting period. Going concern assumes that the business will go on forever (indefinitely). Business entity is the assumption that the owner(s) and the business are independent units. The third assumption is the accounting period, which indicates that each business is divided into specific increments of time for the purpose of reporting financial data (e.g., month, quarter, annual). Tangible existence and open reality are fictitious terms.
SOURCE: FI:086
SOURCE: Guerrieri, D.J., Haber, F.B., Hoyt, W.B., & Turner, R.E. (2004). *Accounting: Real-world applications & connections (First-year course)* [pp. 32-34]. New York: Glencoe/McGraw-Hill.
65. A
It plans and controls spending. The finance function plans and controls spending throughout the company, making sure that it stays within the budget. The accounting function produces financial reports. Finance does not refer to spending on investments only.
SOURCE: FI:354
SOURCE: FI LAP 7—Money Matters (Role of Finance)
66. C
Help to motivate employees. A good orientation program makes new employees feel welcome, gives them an overview of the business, and helps to motivate them to do their best. Orientation often includes giving the new workers a handbook so that they have a copy of the information being presented. Orientation does not include specific job duties since the session is meant to provide general information, and it cannot help keep employees honest.
SOURCE: HR:360
SOURCE: Mathis, R.L., & Jackson, J.H. (2003). *Human resource management* (10th ed.) [pp. 286-287]. Cincinnati: Thomson/South-Western.
67. D
Concept. This concept is based on two very important principles: (1) All business activities should be geared toward satisfying the wants and needs of consumers, and (2) Profitable sales volume will result from giving customers quality products at fair and reasonable prices. The marketing process includes the many activities that must take place in order to get goods and services from the producer to the consumer. A set of marketing guidelines prepared by the management of a business firm is known as a marketing plan. A marketing competency is a general understanding of marketing practices and processes.
SOURCE: MK:001
SOURCE: BA LAP 11—Have It Your Way

68. A
Access a database. A database is computerized storage for information and facts. Most businesses maintain a database of information that is relevant to the business, such as lists of customers and vendors, inventory levels, prices of materials, etc. When businesses need information, they access the database to obtain the data efficiently. For example, a business could access a database to find out how many customers in a certain area purchased a specific product during a specified time period. Scheduling an interview, reading a book, and contacting a competitor are not ways for businesses to obtain needed information efficiently.
SOURCE: NF:078
SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 134-135]. Upper Saddle River, NJ: Pearson Prentice Hall.
69. B
Useful. Not all information is useful to businesses. Therefore, businesses evaluate the quality and source of the information they obtain to make sure it is useful. For it to be useful, information must be accurate and relevant to the situation or problem being addressed. Businesses do not evaluate the quality and source of the information they obtain to make sure it is scientific, technical, or random.
SOURCE: NF:079
SOURCE: Bovée, C.L., Thill, J. V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [p. 134]. Upper Saddle River, NJ: Pearson Prentice Hall.
70. C
To make it accessible. Businesses obtain a wide variety of information that often can be used for many purposes. Therefore, it is important to store the information for future use so it will be accessible when needed. For example, information about current customers might be used to develop procedures for attracting new customers in the future. If the information has not been stored so it is accessible, the business will need to obtain other types of information. Businesses do not need to store information to interpret data or to establish quality control. Information is not harmed by the number of times it's used.
SOURCE: NF:081
SOURCE: Encyclopedia of Small Business. (2002-2006). *Record retention*. Retrieved August 29, 2009, from <http://www.enotes.com/small-business-encyclopedia/record-retention>
71. C
Make long-term decisions. Information management is the process of accessing, processing, maintaining, evaluating, and disseminating knowledge, facts, or data for the purpose of assisting business planning and decision making. One type of planning that a business conducts is strategic planning, which involves making long-term decisions for the company as a whole. These decisions often involve planning how to grow the business over a period of years. Whatever the purpose, businesses need strategic information to be able to make those long-term decisions. The purpose of strategic information is usually not to help businesses create sales presentations or write an annual report.
SOURCE: NF:110
SOURCE: Everard, K.E., & Burrow, J.L. (2001). *Business principles and management* (11th ed.) [pp. 284-286]. Cincinnati: South-Western.
72. B
Customer relationship management (CRM). A variety of computer software helps businesses streamline their business processes and increase their efficiency levels. CRM software organizes and stores information about the business's customers and prospective customers. The software facilitates the business's ability to build ongoing relationships with their customers. A business's manufacturing or production functions use materials requirements planning (MRP) software. Computer-aided engineering (CAE) software is useful for product development. Businesses use automated clearinghouse (ACH) software for financial purposes, particularly banking activities.
SOURCE: NF:003
SOURCE: Ivancevich, J.M., & Duening, T.N. (2007). *Business principles, guidelines, and practices* (2nd ed.) [p. 179]. Mason, OH: Thomson.

73. C

Information systems. An information system is a method of gathering, storing, and analyzing data for the purpose of making business decisions. Businesses acquire vast amounts of information that must be stored and analyzed to make it useful. An effective information system enables a business to quickly and accurately process information and use that information to make decisions. Businesses do not develop operating procedures, survey methods, or management policies to be able to store and analyze data for the purpose of making business decisions.

SOURCE: NF:083

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 594). New York: Glencoe/McGraw-Hill.

74. B

Internet. The Internet is a worldwide network of computers that enables users to access information and communicate with others. The Internet is available to all people around the world who have access to a computer that has connectivity. Today, connectivity may be by dial-up to telephone lines, through broadband technology, or through wireless routers. All people around the world do not have access to an Intranet or an Extranet. Broadband is a type of technology.

SOURCE: NF:086

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 208). New York: Glencoe/McGraw-Hill.

75. D

Browser. A browser is a type of software that allows a computer to search, find, access, and view information on the Internet. Netscape Navigator and Microsoft Internet Explorer are examples of browsers. A folder is an area on a computer's hard drive that can be set up to store specific information. A cookie is a bit of information that a web site stores on a user's hard drive. Anchor describes the desktop-publishing concept of placing or fixing a graphic in a specific, consistent position near other page content, such as text.

SOURCE: NF:006

SOURCE: Miles, J.E., & Dolce, C. (2006). *E-Commerce* (pp. 8, 14). New York: Glencoe/McGraw-Hill.

76. C

Include voice narration. Many multimedia software programs have options that allow sound (e.g., voice or ringing bell) to be included to add interest to the presentation. Sound should be appropriately placed and pertinent to the presentation theme. Businesses use spreadsheet software to make, document, and calculate numerical data. Businesses do not use presentation software to analyze organizational progress.

SOURCE: NF:008

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [pp. 164-165]. Woodland Hills, CA: Glencoe/McGraw-Hill.

77. D

State. A database software program allows a business to sort customer information by various criteria—customer name, sales volume, customer type, zip code, etc. Queries are database fields that the business uses to sort the data. The type of data that the business wants to retrieve or analyze determines the database query (sorting mechanism) that the business uses. To obtain a list of customers in specific geographic regions, the business should sort by state. Depending on the business's needs, it may also use zip code, city name, or country to sort by geographic location. Sales volume, customer name, and street numbers are not queries that will sort customer information by geographic location.

SOURCE: NF:009

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 199). Woodland Hills, CA: Glencoe/McGraw-Hill.

78. C

Spreadsheet. Spreadsheet software programs are designed to organize, calculate, and analyze mathematical or numerical information. Businesses often use spreadsheet software to analyze operating expenses as well as sales on a monthly or yearly basis. Businesses are able to enter figures for all categories of expenses and types of sales, and the software program calculates the relationship. This allows businesses to monitor their expenses and sales to determine if they are spending too much in relation to what they are earning. A business might use presentation software to create multimedia presentations, a database program to maintain customer lists, and a communication software program to access the Internet.

SOURCE: NF:010

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2002). *Marketing essentials* (3rd ed.) [pp. 163-164]. Woodland Hills, CA: Glencoe/McGraw-Hill.

79. B

Web editing. Creating and posting Web pages has become easier with advances in technology. Today, Web editing programs are available that are similar to word processor or desktop publishing programs. As a result, even small businesses can create and post Web pages to promote themselves and connect to customers. Businesses do not use instant messaging, data tracking, or Intranet retrieval programs to create and post Web pages.

SOURCE: NF:042

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 202-203). New York: Glencoe/McGraw-Hill.

80. A

Follow health and safety regulations. Governments develop health and safety regulations to protect the well-being of both employees and customers. When a business does not follow the regulations, employees should report the noncompliance to the government. By reporting the noncompliance, the government can step in to ensure that the business takes corrective action before an accident occurs and someone is injured. Communication procedures and business objectives are internal factors that affect the business rather than issues that government agencies oversee. As long as the business manages its sales and profits in an ethical and legal manner (effective or not), it is complying with the law.

SOURCE: OP:005

SOURCE: Perreault, W. D., Cannon, J. P., & McCarthy, E. J. (2008). *Basic marketing: A marketing strategy planning approach* (16th ed.) [pp. 122-123]. Boston: McGraw-Hill/Irwin.

81. D

Insurance costs. Businesses that have many worker accidents may experience an increase in their insurance costs. If workers are frequently injured on the job, the insurance company may consider the business a risky environment. As a result, the business may have to pay more for insurance protection. Businesses that have many worker accidents usually have a decrease in productivity rates and operating profits. Personal benefits include vacation time, health insurance, retirement, etc.

SOURCE: OP:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 724-727). Woodland Hills, CA: Glencoe/McGraw-Hill.

82. A
Ongoing safety training. Businesses that provide employees with safety training are informing employees about safe behaviors in the workplace. Informing employees about ways in which they can remain safe on the job helps the business reduce the risk of accidents and injuries in the workplace. Safety-training programs might include activities such as showing employees how to use equipment and showing them how to wear protective gear properly. Ongoing safety training reinforces the importance of following safety procedures at work and provides employees with updated safety information and changes in policies or procedures. Although on-the-job instruction often includes some information about job safety, the primary focus is to show a new employee how to perform a variety of tasks associated with the job. Internal feedback is evaluative information that comes from within you. An annual performance review is an assessment of an employee's work performance for the previous year.
SOURCE: OP:008
SOURCE: Clark, B., Sobel, J., & Basteri C.G. (2006). *Marketing dynamics* (pp. 406-410). Tinley Park, IL: Goodheart-Willcox.
83. B
Maintain clean workplace. Poor housekeeping is a frequent cause of all kinds of accidents. By simply keeping the workplace clean and tidy, employees can prevent slipping in puddles of spilled beverages or tripping and falling over things such as boxes, wastebaskets, or improperly positioned furniture. Lifting heavy packages, avoiding regular exercise, and taking frequent shortcuts often contribute to an increase in accidents on the job.
SOURCE: OP:009
SOURCE: Spears, M.C., & Gregoire, M.B. (2004). *Foodservice organizations: A managerial and systems approach* (5th ed.) [pp. 320-323]. Upper Saddle River, NJ: Prentice Hall.
84. B
Windows and doors are locked. Businesses may prevent burglaries by making a physical check of every room in the business to make sure no one is left in the building and that all windows and doors are locked. The simple procedure of locking all windows and doors may deter burglars because it will be difficult for them to gain access to the business. Cleaning public areas, turning off electrical equipment, and transferring telephones will not prevent burglaries.
SOURCE: OP:013
SOURCE: Kimiecik, R.C., & Thomas, C. (2006). *Loss prevention in the retail business* (pp. 2-5). Hoboken, NJ: John Wiley & Sons.
85. D
Computer systems. Company information is a type of intangible property that most businesses want to protect. Today, most of this information is stored on internal computer networks or systems. As a result, businesses establish rules to control access to computer systems to protect confidential or sensitive company information from being stolen or destroyed. Employees are expected to follow the rules, such as regularly changing passwords or not opening suspicious e-mails, to help protect the information. Protecting company information and intangibles does not involve following the rules established to control access to inventory methods, cash registers, or storage facilities. The inventory kept in storage facilities and the money in cash registers are tangibles rather than intangibles.
SOURCE: OP:153
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 722). New York: Glencoe/McGraw-Hill.
86. B
\$3,945.76. An extension on a purchase order is the total cost of each quantity of merchandise purchased. The extension is calculated by multiplying the quantity of stoves that Mark is purchasing by the price per unit for the stoves ($8 \times \$493.22 = \$3,945.76$).
SOURCE: OP:016
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 348-350). Woodland Hills, CA: Glencoe/McGraw-Hill.

87. C
Operate efficiently. When businesses do not have the supplies available for their employees to use, the employees cannot perform their jobs efficiently. When employees cannot perform their jobs efficiently, the business does not operate efficiently. Therefore, it is important for a business to maintain a certain level of supplies for employees to perform their work. Maintaining an inventory of supplies does not help a business to establish sales goals, locate vendors, or evaluate business processes.
SOURCE: OP:031
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (p. 355). Tinley Park, IL: Goodheart-Willcox.
88. C
Personal appearance. Appearance reflects your self-esteem and self-confidence. Posture is the way in which you hold your body when sitting, standing, etc. Proper weight is a body weight appropriate for your height and bone structure. Both posture and weight affect one's personal appearance. Personality is the combination of an individual's characteristics that make him/her different from everyone else.
SOURCE: PD:002
SOURCE: PD LAP 5—Brand ME! (Personal Appearance)
89. A
Becoming a more effective person. You should become organized in order to be more effective, not for the sake of organization. Keeping everything in perfect order is an unrealistic goal. You may become identified as an organized person or set an example for others, but those are side effects rather than appropriate goals.
SOURCE: PD:009
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (p. 96). Tinley Park, IL: Goodheart-Willcox.
90. D
Realistic. One of the characteristics of a good goal is that it should be realistic and attainable. Your goals must be appropriate to you and your abilities. You must set goals that you are capable of reaching. These goals do not necessarily have to be conservative, convenient, or safe.
SOURCE: PD:018
SOURCE: PD LAP 16—Go For the Goal (Goal Setting)
91. B
Finding your way over whatever obstacle you face. Problem solving is finding your way over whatever obstacle you are facing. It is taking the challenges we encounter and, instead of backing down from them, turning them into opportunities to create something positive. Problem solving does not mean you will avoid conflicts in all your relationships. Some conflicts are unavoidable, but working through them is problem solving. Problem solving does not mean escaping challenges, but rather meeting them head-on. Problem solving turns negatives into positives, not the other way around.
SOURCE: PD:077
SOURCE: IS LAP 2—No Problem
92. A
Coming to work on time. Employers expect their employees to be loyal, and one way that employees demonstrate loyalty is by coming to work on time. Employees who are dependable and report to work regularly and on time are showing loyalty because they realize that their efforts are necessary to the success of the business. If employees do not live up to their employer's expectations of loyalty, they may be terminated. Most employers do not expect employees to work overtime without pay, socialize with coworkers unless they choose to do so, or ignore safety hazards.
SOURCE: PD:020
SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [p. 96]. Mason, OH: South-Western Cengage Learning.

93. D

To identify occupational interests. Individuals often analyze a lot of self-information in the process of identifying possible occupational interests. The goal is to find out what they like to do and then match their likes with possible occupations. To do this, individuals often take aptitude tests and fill out self-assessment questionnaires. Taking aptitude tests helps individuals determine whether they have the abilities needed for specific jobs. Filling out self-assessment questionnaires helps individuals determine their likes and dislikes and their interests and hobbies. Individuals do not take aptitude tests and fill out self-assessment questionnaires to complete industry surveys, determine intelligence levels, or monitor performance reviews.

SOURCE: PD:023

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 172-177]. Mason, OH: South-Western.

94. C

Operations management. Operations management is an important aspect of running a business. Examples of activities in operations management include quality control, scheduling, procurement, and warehousing. Operations-management employees might be responsible for eliminating unnecessary processes and reducing wasted materials. Examples of job titles for positions in operations management include quality manager, supply-chain manager, procurement analyst, master scheduler, and chief operations officer. Employees who work in the area of business information technology help align the business and its information technology goals. Employees working in securities and investments handle various aspects of the business's financial matters. If employees work in marketing research, their primary responsibilities involve obtaining and analyzing information about customers' needs and wants.

SOURCE: PD:025

SOURCE: PD LAP 15—Go For It! (Careers in Business)

95. D

Identifying leads. The first step in conducting a job search often involves identifying possible job leads. Job leads are usually available from friends or family members who may be aware of positions at their places of employment. Other job leads include newspaper ads, employment agencies, and school counselors. Identifying where to start looking for a job is the first step in getting one. Completing applications, contacting employers, and scheduling interviews are activities that take place after leads are identified.

SOURCE: PD:026

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 33-36]. Mason, OH: South-Western.

96. A

Restate his/her interest in the position. A follow-up letter allows a job applicant the opportunity to thank the interviewer for a job interview. It also allows the job applicant to restate his/her interest in the job and reinforce the ways in which s/he can benefit the company, if hired. The applicant describes specific training, and experience in a résumé, which may also include the applicant's references. The applicant is usually asked about personal strengths and weaknesses during the interview.

SOURCE: PD:029

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 144-145). New York: Glencoe/McGraw-Hill.

97. A

Previous employers. The last section of a resume contains a listing of references: individuals who have direct knowledge of an applicant's work history or personal life. Previous employers are one of the best references because they can discuss an applicant's work habits, skills, and attitudes on the job. A prospective employer will be very interested in what a previous employer says about an applicant. Relatives and school friends usually are not used as references because they have close relationships with the applicants and may be biased in their favor. Acquaintances do not know the applicants well enough to provide useful information.

SOURCE: PD:031

SOURCE: Bailey, L.J. (2007). *Working* (4th ed) [pp. 49-50]. Mason, OH: South-Western Cengage Learning.

98. C

Obtain experience in a specific occupation. An internship usually is a non-paid position with a company, organization, or government agency. Internship programs offer practical experience in specific occupations and also teach important job skills. For example, an individual who interns with a commercial bank will obtain valuable experience that is specific to the banking industry. Individuals do not serve internships to donate their time to a worthwhile organization or increase their level of personal satisfaction. Many internships are non-paid positions so interns do not participate in a business's benefit program.

SOURCE: PD:032

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 55). New York: Glencoe/McGraw-Hill.

99. A

Being a career salesperson. An occupation is defined as the principal business of one's life. Occupations are usually paid work that consists of similar activities that are performed by the people during their careers. For example, people working as salespeople often use the same skills and perform similar tasks in each job they hold throughout their sales careers. People who obtain part-time jobs generally work fewer hours than full-time employees. Often, these types of positions are short-term and are not always related to one's career goals. For example, a college student who is studying to become a teacher might work part-time in a quick-serve restaurant to help cover school expenses. People who change jobs within a company do not always move to similar or occupation-oriented positions. When people explore new employment options, they are generally looking for new jobs, but the jobs are not always occupational in nature.

SOURCE: PD:034

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [p. 6]. Mason, OH: South-Western.

100. C

Planning. Planning includes deciding what will be done and how it will be accomplished. Managers begin the planning process by determining the goals and objectives they want the business to achieve. Organizing is setting up the way the business's work will be done. Staffing is finding workers for the business, and controlling is monitoring the quantities being produced as well as the efficiency of production.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This!