

Hospitality and Tourism Cluster Exam

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

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1. As a primary source of law, federal statutes are enacted by
 - A. the House of Representatives.
 - B. the U.S. Supreme Court.
 - C. administrative agencies.
 - D. the U.S. Congress.
2. Requiring businesses to control pollution and to dispose of hazardous waste properly are some of the main functions of _____ regulations.
 - A. personnel
 - B. workplace
 - C. environmental
 - D. geological
3. Which of the following regulations have an effect on the travel and tourism industry:
 - A. Courier
 - B. Shipping
 - C. Airline
 - D. Mail
4. The use of dual distribution is legal only if it is intended to
 - A. eliminate warehousing.
 - B. improve transportation.
 - C. promote competition.
 - D. reduce inventory.
5. What does a channel of distribution usually need to be able to manage or avoid conflict within the channel?
 - A. Equal authority
 - B. Updated technology
 - C. Strong leadership
 - D. Limited competition
6. Listening carefully should enable employees to
 - A. follow directions.
 - B. become good speakers.
 - C. avoid criticism.
 - D. earn frequent raises.
7. Sara is a new marketing employee who is learning that the best way to listen to customers is
 - A. passively.
 - B. actively.
 - C. emotionally.
 - D. distractedly.
8. What type of communication style is usually appropriate for evaluation or counseling interviews with employees?
 - A. Technical
 - B. Casual
 - C. Routine
 - D. Formal
9. When defending their ideas objectively, employees should be prepared to
 - A. write a technical research report.
 - B. provide supporting information.
 - C. use aggressive body language.
 - D. demonstrate a sense of leadership.
10. In order to be understood on the telephone, a business's employees should always
 - A. speak from notes.
 - B. use technical terminology.
 - C. enunciate clearly.
 - D. speak rapidly.
11. A business that writes letters to customers to confirm their orders or requests should make sure that the letters contain
 - A. product ratings and grades.
 - B. all the necessary information.
 - C. exchange rates.
 - D. a map of all business locations.
12. Bart is writing a letter intended to persuade customers to upgrade their service with his company. He begins with an outline. What is the best order for the four main parts of his letter?
 - A. Gain attention, introduce service, create desire for product, and encourage purchase
 - B. Introduce service, gain attention, create desire for product, and encourage purchase
 - C. Create desire for product, gain attention, introduce service, and encourage purchase
 - D. Encourage purchase, gain attention, introduce service, and create desire for product

13. Communication between two employees with the same level of authority in the business is _____ communication.
- A. external
 - B. vertical
 - C. horizontal
 - D. departmental
14. Which of the following will help you to have a pleasant voice when speaking to customers:
- A. Speaking at a comfortable volume
 - B. Speaking very slowly
 - C. Speaking quickly
 - D. Speaking in a monotone voice
15. Eva works at a hotel registration desk. When a customer was checking in tonight, Eva reminded him that checkout time would be 11:00 a.m. "No, it's not!" he exclaimed. "It's always at 11:30!" Eva's customer is a(n) _____ customer.
- A. leave-me-alone
 - B. suspicious
 - C. impatient
 - D. argumentative
16. Which of the following is a benefit of customer relationship management:
- A. The opportunity to create targeted marketing campaigns
 - B. A work force that does not commit errors
 - C. A decrease in customer advocacy
 - D. The ability to double the business's profits
17. Which of the following is an example of a measurable customer-service goal that many businesses set in order to facilitate the distribution process:
- A. Organize warehouse to handle orders
 - B. Fill orders within a specified amount of time
 - C. Prepare orders for shipment
 - D. Develop a procedure for invoicing orders quickly
18. Time utility makes products available to the consumer
- A. for a low price.
 - B. when they are needed.
 - C. on credit.
 - D. in different locations.
19. One important function of the main business activity of marketing is the _____ of goods or services.
- A. control
 - B. evaluation
 - C. promotion
 - D. inventory
20. Which of the following is an example of increased financial risk for a company with poor business ethics:
- A. Decreased labor costs
 - B. Increased productivity
 - C. Increased sales
 - D. Decreased company value
21. Because of competition, people in our society enjoy
- A. a narrower selection of goods or services.
 - B. fewer changes in existing goods or services.
 - C. government control of our economic system and businesses.
 - D. a higher standard of living than that of people in many other countries.
22. The two main sources of revenue used to pay the costs of government regulation are
- A. taxpayers and nontaxpayers.
 - B. taxes and borrowing.
 - C. business and labor.
 - D. government and industry.
23. The manager of a franchise business prepares a monthly calendar according to the franchisor's requirements. What level of depth and scope are involved in this task?
- A. Low depth, high scope
 - B. High depth, high scope
 - C. Low depth, low scope
 - D. High depth, low scope

24. Businesses' profits are at a 30-year low, but consumer savings are at an all-time high. For more than a year, unemployment has also been at record levels. What is the state of the economy?
- A. Recovery
 - B. Expansion
 - C. Recession
 - D. Depression
25. Which of the following is a benefit of international trade:
- A. An increased trade deficit
 - B. Higher prices for goods and services
 - C. Stronger trade restrictions
 - D. An improved standard of living
26. John trains new employees in his department. He has just been informed that he will also be responsible for training new employees in a different department. Which of the following personality traits does John need most:
- A. Adaptability
 - B. Empathy
 - C. Initiative
 - D. Loyalty
27. Which of the following is a situation where acting responsibly is mandated by law:
- A. You must decide whether or not to drink with friends at a party.
 - B. You must decide whether or not to cheat on your chemistry test.
 - C. You must decide whether or not to turn in the money you found on the ground.
 - D. You must decide whether or not to lie to your parents about breaking curfew.
28. When you receive criticism on the job, the best course of action would be to
- A. use it to improve your job performance.
 - B. complain to your supervisor.
 - C. start looking for another job.
 - D. simply ignore it.
29. Of the following, which is a true statement about change:
- A. It does not present problems for many businesses.
 - B. People are seldom affected by personal change.
 - C. It is the only thing that is constant in our lives.
 - D. People rarely change their occupations.
30. Negotiators decide how to get what they want by
- A. strategizing.
 - B. making demands.
 - C. sympathizing.
 - D. being aggressive.
31. An example of assertive verbal behavior would be
- A. maintaining appropriate eye contact.
 - B. initiating conversations with others.
 - C. complimenting someone to obtain a favor.
 - D. giving a progress report in a staff meeting.
32. What kind of team is a business likely to use to prevent defects in the company's products?
- A. Quality circle
 - B. Project team
 - C. Network
 - D. Short-term committee
33. Which of the following is a disadvantage of consensus building:
- A. Relying on group members' persuasive skills
 - B. Encouraging unnecessary compromise
 - C. Making each person speak in front of the group
 - D. Discussing different points of view
34. How important are human relations skills in the business world?
- A. Somewhat important
 - B. Not essential
 - C. Not beneficial
 - D. Very important

35. Which of the following is NOT an advantage of debit card payments:
- A. Businesses gain access to money quicker via debit card payments instead of checks.
 - B. Businesses face no risk of customers having insufficient funds when debit cards are used.
 - C. Customers can often get a debit card even if they can't get approved for a credit card.
 - D. Businesses pay 0.75% of each debit card sale to the bank that handles the billing.
36. The arrangement by which businesses or individuals can purchase now and pay later is known as
- A. interest.
 - B. capacity.
 - C. credit.
 - D. collateral.
37. Molly and Tim have just had their first baby, Tommy. On top of their other financial considerations, such as saving for their retirement, they will now have to start saving and investing for Tommy's
- A. health insurance.
 - B. retirement.
 - C. life insurance.
 - D. college education.
38. Matt is balancing his checkbook for the first time. He compares the checks he has written over the last month with those listed on his statement and finds that all of his checks have cleared. Next, he verifies that his latest paycheck, which he deposited the previous day, is on the list. It is not, so he adds it to his statement balance. After this, he should
- A. subtract any interest.
 - B. subtract fees and charges.
 - C. call the bank for a new statement.
 - D. consider everything done.
39. Of the following ownership investments, which involves owning items that gain or lose value over time:
- A. Stocks
 - B. Stock mutual funds
 - C. Real estate
 - D. Collectibles
40. A characteristic of the accrual method of accounting is that it
- A. records transactions at the time the money changes hands.
 - B. is the method most frequently used by small businesses.
 - C. is the method used by businesses that don't offer credit.
 - D. records credit purchases when the purchases are made.
41. Which of the following is an example of current liabilities that a business should include in its balance sheet:
- A. Accounts receivable
 - B. Employees' salaries
 - C. Owner's equity
 - D. Mortgage loans
42. What is one of the main purposes of a business's sales budget?
- A. To predict the economy
 - B. To forecast trends
 - C. To estimate income
 - D. To track the competition
43. True or false: All employees make an impact on a business.
- A. True; all employees make a positive impact on a business.
 - B. True; all employees make either a positive or negative impact on a business.
 - C. False; only managers and supervisors make an impact on a business.
 - D. False; only executives and board members make an impact on a business.
44. Analyzing relevant marketing information can help a tour company make favorable business decisions, which may provide the tour company with
- A. quality assurance.
 - B. a competitive advantage.
 - C. a balance of trade.
 - D. guaranteed recognition.
45. The Cozy Night Motel chain wants to learn about hospitality trends. Which secondary source would provide the chain with the desired information:
- A. Telephone interview
 - B. Sampling plan
 - C. Guest comment cards
 - D. Trade association

46. Which of the following is an example of a regulatory issue that may impact the hospitality and tourism industry:
- A. Tax change
 - B. Natural disaster
 - C. Unemployment rate
 - D. Terrorism alert
47. Last year's quarterly sales for Mountain High Ski Resort were as follows: 1st Quarter: \$652,276; 2nd Quarter: \$947,550; 3rd Quarter: \$423,835; 4th Quarter: \$345,766
- What does the data reveal about the resort's sales?
- A. The resort's peak season occurred during the second quarter.
 - B. The fourth quarter's sales indicate that the resort is experiencing financial problems.
 - C. The resort failed to meet its annual sales objectives.
 - D. The combined first and third quarter revenues are over half of the resort's annual sales.
48. What is the range of times people went to the movies if 20 people go to the movies 8 times a month, 45 people go to the movies 7 times a month, 72 people go to the movies 6 times a month, 58 people go to the movies 5 times a month, and 32 people go to the movies 4 times a month?
- A. 3.1
 - B. 5.8
 - C. 6
 - D. 4
49. A product being in great demand is a factor that might encourage businesses to
- A. gather information.
 - B. decrease inventory.
 - C. contact competitors.
 - D. adjust prices.
50. Which of the following is an example of a travel and tourism service that a travel agency might market:
- A. Postcards from each attraction
 - B. Dinner at a four-star restaurant
 - C. Souvenir travel bag
 - D. Escorted bus tour plus lodging
51. Which of the following could be used by a hotel/motel in an effort to encourage return visits by previous guests:
- A. Guest folio
 - B. Express check-out
 - C. Guest history records
 - D. Daily transaction report
52. The reason businesses obtain information usually is to apply it in order to
- A. accomplish a task.
 - B. develop a database.
 - C. determine a need.
 - D. evaluate a source.
53. Which of the following U.S. laws relates to information management:
- A. The Sarbanes-Oxley Act
 - B. The Sherman Anti-Trust Act
 - C. The Landrum-Griffin Act
 - D. The Taft-Hartley Act
54. Eli is using an online search engine to obtain business information. To obtain narrow search results for a specific phrase, which of the following should Eli place around the text:
- A. Asterisks
 - B. Quotation marks
 - C. Number sign
 - D. Equal sign
55. What type of software program would a cruise line use in order to maintain a list of recent passengers and their cabin preferences?
- A. Word processing
 - B. Presentation
 - C. Communication
 - D. Database
56. What must businesses determine during the phases of record keeping?
- A. Where competitors keep their records
 - B. Why employees dislike record keeping
 - C. Who will be responsible for record keeping
 - D. Which clients will be excluded from the records

57. The increased use of computers and telecommunications equipment is fueling the trend in business that allows many employees to
- A. perform routine tasks.
 - B. participate in management.
 - C. compete with coworkers.
 - D. work in various locations.
58. One way to determine the importance of an issue or trend is to consider its impact on
- A. your competitors' personnel.
 - B. your personal finances.
 - C. demand for your business's products.
 - D. foreign governments.
59. A hotel clerk can match available space to a guest's request for a certain type of accommodation by checking the information in the
- A. key drawer.
 - B. fax machine.
 - C. room rack.
 - D. switchboard.
60. When Mr. Mason develops a production schedule, he is carrying out _____ activities.
- A. promotion
 - B. operations
 - C. sales
 - D. financial
61. One of the ways workers can protect themselves from injury on the job is to
- A. pay workers' compensation.
 - B. report or correct safety hazards.
 - C. join OSHA.
 - D. fix anything that is broken.
62. In order to prevent credit-card fraud, businesses often instruct their employees to check the _____ on the back of the card.
- A. customer's signature
 - B. expiration date
 - C. account number
 - D. identification code
63. Why is it important for business employees to follow established security procedures?
- A. To develop a healthy environment
 - B. To create a pleasant facility
 - C. To avoid the risk of accidents
 - D. To reduce the possibility of loss
64. A project manager persuading group members to reach an agreement about how to carry out a project is an example of
- A. leadership.
 - B. negotiation.
 - C. organization.
 - D. communication.
65. Which of the following is an example of an employee's assisting in controlling expenses:
- A. Presents a well-groomed appearance
 - B. Is careful when using equipment
 - C. Is careless with money and checks
 - D. Communicates effectively with clients
66. A business that is clean and well maintained is likely to
- A. have a sanitation department.
 - B. appeal to many suppliers.
 - C. attract and retain customers.
 - D. have high operating expenses.
67. What do many gift shops keep on hand in the event there is a robbery situation?
- A. Concealed weapon
 - B. Bait money
 - C. Armed guards
 - D. Police radios
68. A cruise ship security specialist may advise a tourist who is going ashore at a port of call to
- A. limit shore tours to ones approved by the cruise line.
 - B. travel alone instead of in an organized group.
 - C. use any of the transportation services available.
 - D. wear valuable jewelry while on shore.

69. The two major areas that determine your personal appearance are
- A. your personality and behavior.
 - B. your income and educational level.
 - C. your self-concept and self-esteem.
 - D. your physical body and your dress.
70. Orderly and systematic behavior means being
- A. bold.
 - B. cautious.
 - C. chaotic.
 - D. organized.
71. What is the first thing you should do when breaking down your goal?
- A. Prioritize your goals.
 - B. Split your main goal into several smaller goals.
 - C. Update your goals.
 - D. Pinpoint your main goal.
72. Which of the following employees demonstrates good time management:
- A. Jeff makes a "to-do" list.
 - B. Sara does all tasks as quickly as she can.
 - C. Karen puts off unpleasant tasks as long as possible.
 - D. Dan is always available to listen to coworkers' personal problems.
73. Lauren was filling out an employment application and encountered a question for which she was unsure of the answer. What should she do?
- A. Leave a blank space
 - B. Write in "unknown"
 - C. Make up an answer
 - D. Mark down "personal"
74. One of the reasons why networking is so effective is because the contacts often
- A. have information about job skills.
 - B. are interested in the same position.
 - C. work at the company that is hiring.
 - D. know how to communicate with others.
75. One of the services provided by some professional organizations in the travel and tourism industry is training that leads to obtaining
- A. firsthand experience.
 - B. certification.
 - C. college degrees.
 - D. online instruction.
76. Which of the following statements is true regarding the development of the hospitality industry:
- A. The hospitality industry has experienced little change in the past century.
 - B. Political factors do not influence the need for hospitality services.
 - C. Transportation advancements increase the demand for hospitality services.
 - D. Increased tourism activity has created a lower demand for hospitality services.
77. Because of regular changes in the supply of and demand for hotel rooms, prices for rooms are often
- A. unimportant.
 - B. consistent.
 - C. negotiable.
 - D. imprecise.
78. Creating an economical image of a new product to match the business's low-cost image is an example of
- A. product positioning.
 - B. promotional pricing.
 - C. publicity planning.
 - D. persuasive selling.
79. A key factor for a business to consider in determining the right time to purchase is
- A. whether to purchase safety stock to prevent overstocking.
 - B. the quality that will meet customer needs.
 - C. the variety of products that should be purchased.
 - D. whether products will be available when needed.

80. Mega-agencies are large travel agencies that often offer specialized services to their large corporate accounts. Which of the following examples illustrates a specialized service to a corporate account:
- A. Vacation clubs
 - B. Familiarization trips
 - C. Guaranteed lowest airfare
 - D. Advance seat assignments
81. If buyers offer something to vendors in exchange for something else while negotiating a contract, the buyers are making a
- A. statement.
 - B. transition.
 - C. concession.
 - D. commitment.
82. When a visitor to the Royal Caribbean Cruise Lines' web site moves the mouse from one part of the web site to another, a video-like ad appears that shows entertainment on board. This is a form of online advertising known as
- A. interstitial.
 - B. superstitial.
 - C. daughter window.
 - D. interactive banner.
83. Deleting duplicate e-mail addresses and removing unauthorized subscriptions are the responsibility of
- A. automation programs.
 - B. Internet service providers.
 - C. list management.
 - D. permission-based marketing.
84. What is one of the most effective and flexible elements of a print advertisement?
- A. Color
 - B. Layout
 - C. Symbol
 - D. Unity
85. The type styles used in advertisements often are selected because they are
- A. distinctive.
 - B. condensed.
 - C. lowercase.
 - D. italicized.
86. What type of advertising copy draws attention by using words with strong psychological impact?
- A. Testimonial
 - B. Comparative
 - C. Factual
 - D. Emotional
87. An advertising proof shows the advertiser exactly how an ad
- A. has been corrected.
 - B. will be billed to the advertiser.
 - C. will look when it is run.
 - D. looked when it was run.
88. Which of the following is a community issue that a business might decide to become involved with and support:
- A. Consumer rights
 - B. Food for the needy
 - C. Truth in lending
 - D. Personal ethics
89. Simplicity and consistency are essential qualities viewers seek and that must be incorporated into the planning of a web site's
- A. hyperlinks.
 - B. navigation.
 - C. banner ads.
 - D. click throughs.
90. What should the writers of news releases avoid splitting between two pages?
- A. Thoughts
 - B. Information
 - C. Chapters
 - D. Paragraphs
91. Which of the following is completed first when planning a special event:
- A. Creating checklists for the special event
 - B. Developing a timeline for planning the special event
 - C. Developing objectives for the special event
 - D. Determining the purpose of the special event

92. What do hotel gift shops usually do to prepare the shop for a special seasonal event?
- A. Put up decorations
 - B. Remodel the facility
 - C. Write a news release
 - D. Decrease operating hours
93. Using the same shape, color, or texture over and over in a display is a technique called
- A. repetition.
 - B. scale.
 - C. harmony.
 - D. contrast.
94. The Ramada Inn is a sponsor of the annual "Festival of Trees," which raises money for a local women's shelter. This is an example of
- A. programming.
 - B. promotion.
 - C. people.
 - D. packaging.
95. Why do hotels use sweepstakes?
- A. To give away prizes
 - B. To improve efficiency
 - C. To offer weekend packages
 - D. To attract new customers
96. Why is it important for travel agents to implement creative display techniques when promoting trips or tours?
- A. Employees like to show videos.
 - B. Suppliers provide printed materials.
 - C. Customers respond well to visuals.
 - D. Competitors give away souvenirs.
97. An example of a service approach in selling is
- A. "This resort offers all-inclusive options."
 - B. "Good morning, Mrs. Jones."
 - C. "May I help you?"
 - D. "This flashlight is rechargeable."
98. Which of the following often is a benefit to a business of using product substitution:
- A. Greater selection
 - B. Higher open-to-buy
 - C. Increased sales
 - D. Improved inventory control
99. A front-desk employee telling a guest about the hotel's new casual restaurant and expanded room-service menu is an example of
- A. explaining complimentary offers.
 - B. recommending hospitality services.
 - C. describing local opportunities.
 - D. promoting recreational activities.
100. A hotel coffee shop cashier processes a food and beverage check for a guest who presents a half-off coupon for one entree. What key on an electronic cash register calculates the discount?
- A. Conversion
 - B. No Sale
 - C. Refund
 - D. Percent