



# HOSPITALITY CLUSTER CORE

## SAMPLE EXAM QUESTIONS

These test questions were developed by the MBA Research Center. Items have been randomly selected from the MBA Research Center's Test-Item Bank and represent a variety of instructional areas. Performance indicators for these test questions are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided.

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## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM

1. Basic torts relating to businesses often involve disputes concerning
  - A. emotional stress.
  - B. assaults.
  - C. defamation.
  - D. contracts.
  
2. A primary responsibility of administrative law is to
  - A. establish congressional/parliamentary committees.
  - B. enforce agency regulations.
  - C. interpret constitutional laws.
  - D. overturn lower courts' decisions.
  
3. Which type of hotel security standard involves employing armed security guards in high-crime areas?
  - A. Personnel-related
  - B. Physical-related
  - C. Property-related
  - D. Procedure-related
  
4. Products that go straight from producers to consumers are using \_\_\_\_\_ channels of distribution.
  - A. unsatisfactory
  - B. indirect
  - C. unusual
  - D. direct
  
5. The dealers who are authorized by manufacturers to distribute the manufacturers' products are the ones who usually are negatively affected by
  - A. volume buying.
  - B. personal selling.
  - C. gray marketing.
  - D. sale pricing.
  
6. What is an effective technique for employees to use to extract relevant information from written materials?
  - A. Take notes while reading
  - B. Ask frequent questions
  - C. Develop a rough outline
  - D. Skim through chapter titles
  
7. What is an effective way to support and encourage someone who is talking to you?
  - A. Avoid making any noise while the speaker is talking
  - B. Interrupt the speaker to debate what s/he has said
  - C. Clap as the speaker makes each of her/his main points
  - D. Make comments such as "yes" or "I see" occasionally
  
8. An important guideline for effective listening is to
  - A. focus on details rather than key points.
  - B. practice active listening.
  - C. concentrate on the speaker's posture.
  - D. think about what you are going to say next.
  
9. What is the most appropriate closing to include in a response to a customer's e-mail inquiry for product information?
  - A. On behalf of LVN Industries, thank you for your order. Your confirmation number is 243597.
  - B. Thank you for your interest in XWQ products. Please let me know if you have any additional questions.
  - C. We apologize for the inconvenience and will send a corrected invoice to you within 24 hours.
  - D. The model 2CR is available in three colors—red, black, and white. Reply by e-mail with the color that you want.
  
10. Why is it often important to take notes during meetings or presentations?
  - A. Audience needs something to do.
  - B. Speaker is difficult to understand.
  - C. Information will be needed later.
  - D. Writing keeps the mind focused.
  
11. When writing a business report, Thomas might check his writing and style manual to determine the
  - A. synonyms for common words.
  - B. best way to set up tables using computer software.
  - C. formal definitions of important terms.
  - D. appropriate way to cite his resources.

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12. Which of the following components of a business letter includes the date:
- A. Body
  - B. Inside address
  - C. Heading
  - D. Salutation
13. Which of the following is the most appropriate method for supervisors to use when communicating about personal or confidential issues with individual employees:
- A. Company newsletter
  - B. Face-to-face meeting
  - C. Telephone conference call
  - D. Staff memo
14. While working as a motel desk clerk, you have directed newly registered guests to an occupied room. The guests return to the front desk rather upset. You should immediately
- A. blame the reservation system.
  - B. blame the room-numbering system.
  - C. ask them to check the room again.
  - D. apologize to the guests and reassign them.
15. A good way for salespersons to prevent customer complaints is by
- A. pressuring customers to buy quality products.
  - B. showing customers high-priced products.
  - C. accurately determining each customer's needs.
  - D. asking the customer a lot of personal questions.
16. What is an important aspect of a customer-centric business?
- A. Reducing the number of touch points with customers
  - B. Limiting the employees' decision making
  - C. Being satisfied with the status quo
  - D. Aligning business activities with customer needs
17. Transportation routes, rates, and services may all be regulated by
- A. laws.
  - B. level of service.
  - C. competition.
  - D. intermediaries.
18. When Angela spent her birthday money on a designer handbag, the opportunity cost was
- A. working out at the gym.
  - B. hanging out with friends.
  - C. reading a book.
  - D. buying concert tickets.
19. What usually results when business operations and procedures are efficient and economical?
- A. Consumers can buy quality products at competitive prices.
  - B. Consumer prices are raised to increase profits.
  - C. More equipment is needed to produce finished products.
  - D. Monopolies can give all businesses a greater share of the market.
20. Which business activity provides the connecting link between the business and its customers?
- A. Marketing
  - B. Financial analysis
  - C. Operations management
  - D. Strategic management
21. Which of the following is an advantage of using the divisional organizational structure:
- A. It can create better customer experiences.
  - B. It's unpredictable in nature.
  - C. It balances conflicting organizational objectives.
  - D. It can encourage competition.
22. The freedom to compete is a characteristic of businesses that operate in a(n)
- A. communist economy.
  - B. market economy.
  - C. imperial political environment.
  - D. independent society.

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23. Research and development speed up production by
- A. Providing employees with adequate job training.
  - B. Simplifying existing products.
  - C. Limiting inflation.
  - D. Reviewing company goals with employees.
24. Megan is a computer sciences specialist looking for a job while the economy is experiencing a recession. She interviews for two jobs: one with a well-respected firm that has been around for 20 years, and another with a firm that in six months will open its doors for the first time. Which of the following is NOT an advantage of taking a job at the new company:
- A. Less competition
  - B. Lower costs
  - C. Greater pressure to expand
  - D. Easier to keep employees
25. Which of the following factors can lead to a lower standard of living for all Americans:
- A. A limitation on imports
  - B. An increase in exports
  - C. A strong U.S. dollar
  - D. An unfavorable balance of trade
26. Why is cheating unfair to the one who cheats?
- A. The cheater gets a good grade.
  - B. The teacher thinks the cheater studied.
  - C. The other students' scores are affected.
  - D. The cheater hasn't learned the material.
27. Self-control can help you to enjoy greater professional success by helping you to avoid
- A. interacting with others.
  - B. remaining calm when provoked.
  - C. building a reputation.
  - D. making mistakes.
28. Admitting that you made a mistake can be difficult because making a mistake is so
- A. embarrassing.
  - B. common.
  - C. ordinary.
  - D. predictable.
29. Considering your words carefully before saying them is known as
- A. accepting your own emotions.
  - B. speaking tactfully.
  - C. making assumptions.
  - D. being creative.
30. Which of the following is evidence that diversity cannot be avoided:
- A. The value placed on individualism
  - B. Stereotypes and prejudices
  - C. Language barriers
  - D. The demographic makeup of today's workforce
31. An activity that helps you prepare your responses to different negotiating styles is called
- A. mode reflecting.
  - B. role playing.
  - C. reasoning.
  - D. brainstorming.
32. Which of the following is an example of a conflict response mode:
- A. Meditation
  - B. Frustration
  - C. Avoidance
  - D. Exclusion
33. Which of the following will help you to be a good team member:
- A. Responding quickly to others' comments
  - B. Listening to what others have to say
  - C. Dominating the group by constantly talking
  - D. Interrupting when you have something to say

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34. What is the "Plan B" for a group trying to reach a consensus?
- A. The second option on the list of alternatives
  - B. The second method of decision making
  - C. The second principle of the ground rules
  - D. The second point on the list of agenda items
35. Every year since she was born, Sophia's grandparents invested \$100 on her birthday. Sophia is now 18 and the investment has grown large enough to pay for most of her college expenses. Her grandparents explain that this is because her money has grown in two ways: by earning interest, and then by earning interest on that interest. This is an example of
- A. present value.
  - B. simple interest.
  - C. compound interest.
  - D. inflation.
36. Using a credit card is
- A. a privilege reserved for working adults.
  - B. a good way to pay for impulsive purchases.
  - C. an inexpensive way to borrow money for an extended period.
  - D. like getting a free loan if you pay the balance each month.
37. Why is it important to read and reconcile bank statements?
- A. To make a deposit
  - B. To calculate interest
  - C. To withdraw excess money
  - D. To balance an account
38. One way to reduce the risk of identity theft is by
- A. storing passwords on web browsers.
  - B. disabling computer virus software.
  - C. shredding old bank statements.
  - D. photocopying credit-card receipts.
39. Since Logan is willing to accept a moderate or high risk in exchange for the potential of a moderate or high return, he should invest his funds in
- A. stocks.
  - B. bonds.
  - C. savings accounts.
  - D. certificates of deposit.
40. Buying insurance is one way that businesses manage
- A. risk.
  - B. coverage.
  - C. injury.
  - D. damage.
41. Accounting software applications facilitate a business's ability to efficiently track income and expenses, manage inventory, and
- A. organize media transcripts.
  - B. plan work projects.
  - C. establish insurance policies.
  - D. process payroll.
42. Interest a business earns from its bank accounts is included in which category of the income statement?
- A. Gross sales
  - B. Net income
  - C. Assets
  - D. Revenue
43. A tool that businesses can use to orient new employees is a(n)
- A. employee handbook.
  - B. exit interview.
  - C. job résumé.
  - D. performance appraisal.
44. How could the corporate headquarters of a national restaurant chain use the U.S. Census data that it obtained online?
- A. To determine if the market wants a new restaurant in the area
  - B. To determine what type of restaurant to open in a geographic area
  - C. To determine if the zoning laws in a certain geographical area are reasonable
  - D. To determine where to locate a new restaurant based on population growth

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45. Rochelle is conducting telephone interviews to determine the demand for a new water park in the Nashville area. To more effectively sequence her questions based on the respondents' answers to earlier questions, Rochelle should use \_\_\_\_\_ software.
- A. random-digit dialing (RDD)
  - B. interviewing user interface (IUI)
  - C. computer-assisted interviewing (CAI)
  - D. decision support system (DSS)
46. Which of the following would best enable a hotel to assess its business guests' ongoing behavior:
- A. Sales records
  - B. Focus groups
  - C. Test markets
  - D. Vouchers
47. Calculate the range if 30 customers visit a business two times a month, 45 customers visit the business three times a month, 55 customers visit the business four times a month, and 20 customers visit the business five times a month.
- A. 4
  - B. 2
  - C. 3
  - D. 5
48. When citing research findings during an oral presentation, the presenter should make sure that the information is
- A. accurate and creative.
  - B. relevant and timely.
  - C. interesting and current.
  - D. objective and superficial.
49. What marketing function directly affects how well a product will sell and the amount of money the business will make?
- A. Channel Management
  - B. Promotion
  - C. Product/Service Management
  - D. Pricing
50. A person who promotes Walt Disney theme parks is marketing a(n)
- A. service.
  - B. cause.
  - C. lifestyle.
  - D. intermediary.
51. One of the main purposes of target marketing in the travel and tourism industry is to
- A. develop partnerships with suppliers.
  - B. analyze the strengths of the industry.
  - C. reach the correct market segment.
  - D. create interesting travel themes.
52. What portable device can businesspeople use to store electronic documents, so they can later retrieve them from other computers?
- A. Audio tape
  - B. Camera film
  - C. Flash drive
  - D. Computer battery
53. What is an advantage to a company that effectively manages its business information?
- A. Increases information overload
  - B. Eliminates customer dissatisfaction
  - C. Saves time and money
  - D. Reduces the need for compliance
54. Which of the following is an important component of computer systems:
- A. Internet
  - B. Software
  - C. Website
  - D. E-commerce
55. Which of the following is true regarding most word-processing computer applications:
- A. A document can be changed while the user is viewing it on a monitor.
  - B. A spell check is automatically conducted on every document.
  - C. Once a document has been saved, it cannot be reformatted.
  - D. The use of word processors reduces the time needed to conduct project research.

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56. What is an important consideration when selecting graphics and posting them on a business's website?
- A. Descriptive links
  - B. Font size
  - C. Download time
  - D. Log files
57. To increase efficiency among channel members, which type of software allows for the secure transfer of information via the Internet:
- A. Internet service provider
  - B. Intranet system
  - C. Virtual private network
  - D. Client network
58. A new law was passed that affects the type of personnel records Germaine must keep at his financial services company. This is an example of which influence on the selection of records that businesses keep?
- A. Industry
  - B. Leaders
  - C. Regulations
  - D. Size
59. What type of trend are businesses considering when they analyze where customers live and their ethnic backgrounds?
- A. Cultural
  - B. Environmental
  - C. Technical
  - D. Demographic
60. Health and safety regulations in business usually require businesses to
- A. report workplace accidents.
  - B. inspect office facilities.
  - C. hold regular safety meetings.
  - D. purchase fireproof supplies.
61. Which of the following is a technique that employees can use to help prevent accidents in the workplace:
- A. Plan job training programs.
  - B. Follow safety instructions.
  - C. Develop operating guidelines.
  - D. Complete necessary paperwork.
62. Which of the following is NOT something you need to complete your project:
- A. Sponsors
  - B. Tools
  - C. Permission
  - D. Money
63. A project manager may schedule a meeting with his project team when closing the project to
- A. determine project priorities and processes.
  - B. establish the project's long-term goals.
  - C. delegate the project's tasks to team members.
  - D. evaluate the project's successes and obstacles.
64. Claire is responsible for maintaining an inventory of routine office supplies for a small business. To determine the optimal level of inventory of each item to keep on hand, Claire should consider the
- A. business's budgeting method.
  - B. employees' individual preferences.
  - C. average product usage amount per month.
  - D. vendors' daily sales promotions.
65. What is one of the most important components of the production process?
- A. Inputs and outputs
  - B. Goods and services
  - C. New technology
  - D. Human resources
66. Which of the following is an example of a quality control method used in the workplace:
- A. An accounts receivable employee submits a weekly report.
  - B. A factory production line makes 2,465 widgets per minute.
  - C. An advertising manager corrects a copywriter's ad copy.
  - D. A human-resources manager completes paperwork for a new hire.

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM

67. When a purchasing agent ordered products for a national park's gift shop, s/he agreed to the terms F.O.B. destination. What can the purchasing agent expect as a result of these terms?
- A. The purchasing agent will pay shipping charges from the vendor's shipping point.
  - B. The vendor will pay shipping charges to the national park's gift shop.
  - C. The park will not be charged shipping charges since it's a government agency.
  - D. The transportation company will pay shipping charges to the park's destination.
68. Which of the following instructions should the manager stress during security training as the business's main objective during a robbery:
- A. Preventing the robber from getting the cash
  - B. Looking the robber directly in the eyes
  - C. Asking the robber to repeat his/her request
  - D. Safeguarding customers and employees
69. Which of the following is a true statement about sleep:
- A. The amount of sleep you get does not affect your health.
  - B. The amount of sleep people need varies from person to person.
  - C. Going to bed early will ensure that you get enough sleep.
  - D. Everyone needs eight hours of sleep each night.
70. Which of the following techniques for developing ideas is especially useful for project planning:
- A. Redefining
  - B. Forced ambiguities
  - C. Color coding
  - D. Concept mapping
71. Which of the following is not a time waster:
- A. Refusing to delegate
  - B. Requiring 100% accuracy on all work
  - C. Submitting work with errors
  - D. Building in planning time
72. What should individuals take into consideration when researching employment opportunities in business?
- A. Future outlook
  - B. Vacation time
  - C. Office environment
  - D. Safety program
73. Which of the following would indicate that a job applicant is more likely to make mistakes on the job:
- A. The applicant does not provide references.
  - B. The cover letter lacks the applicant's signature.
  - C. The résumé contains misspelled words.
  - D. The applicant did not complete his/her college degree.
74. To take advantage of work-related networking opportunities, a businessperson might benefit by
- A. joining a professional organization.
  - B. participating in an online social network.
  - C. developing a creative résumé and cover letter.
  - D. planning a meeting with a sales trainer.
75. Melanie recently graduated from college with a degree in hospitality management and has good organizational, communication, and management skills. Melanie enjoys traveling, sailing, and planning social events. Which of the following jobs in the hospitality and tourism industry best matches Melanie's skills and interests:
- A. Hotel food and beverage manager
  - B. Cruise director
  - C. Resort housekeeping manager
  - D. Ship safety officer
76. What is the typical effect of an economic slowdown on the hospitality industry?
- A. An increase in the number of guests and a decrease in the number of rooms available
  - B. A decrease in the number of guests and an increase in the number of rooms available
  - C. A decrease in the number of guests and a decrease in the number of rooms available
  - D. An increase in the number of guests and an increase in the number of rooms available

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77. Because of regular changes in the supply of and demand for hotel rooms, prices for rooms are often
- A. negotiable.
  - B. consistent.
  - C. classified.
  - D. imprecise.
78. A representative from a local distributor shows you calendars featuring photos of the most scenic locations within the community, a board game developed by the local chamber of commerce, a Fourth of July banner, and a holiday ornament designed by senior citizens. If your Welcome Center specializes in selling community-based products that can be promoted throughout the year, which would you buy?
- A. Holiday ornament
  - B. Calendar
  - C. Banner
  - D. Board game
79. Which of the following is an example of a product in the travel and tourism industry:
- A. An inquiry about flight schedules
  - B. A brochure explaining cruise options
  - C. A fly-drive vacation package
  - D. A confirmation letter to a customer
80. To inspect and evaluate the available colors and quality of a vendor's table linens firsthand, a resort's purchasing manager might ask the vendor to provide
- A. customer testimonials.
  - B. fabric samples.
  - C. product warranties.
  - D. substitute products.
81. Buyer Jones is negotiating a contract to purchase a large quantity of products from Seller Brown. There are several things Jones wants Brown to agree to before Jones will agree to buy. What is this buyer asking for?
- A. Consequences
  - B. Concessions
  - C. Commitments
  - D. Commissions
82. One reason why it is important for a business to be involved in community activities is because this involvement often
- A. requires employees to donate their time.
  - B. sets the business apart from competitors.
  - C. helps the business to test new products.
  - D. allows customers to meet top management.
83. Four Seasons Hotels and Resorts, which prides itself on its extensive collection of art and artifacts, has created a series of audio programs featuring discussions with art experts about works of art found at Four Season Hotels and Resorts around the country. These recordings, available in several different formats, are available for download at the company's website. Which of the following terms best describes these audio programs:
- A. Podcasts
  - B. Social media
  - C. Blogs
  - D. Ad serving
84. A business that asks customers to forward an email to their friends or associates is engaged in
- A. direct advertising.
  - B. viral marketing.
  - C. image building.
  - D. suggestion selling.
85. What type of mobile-gaming application is likely to appeal to NASCAR fans?
- A. Tennis
  - B. Flag-football
  - C. Auto-racing
  - D. Golf
86. Why would a graphic designer for an amusement park find the color image of the park on a computer screen to be different from the park's actual color?
- A. Color rendition requires CAD-CAM capabilities.
  - B. The color wheel was not compared with the computer image.
  - C. Software lacks the capability to depict true colors.
  - D. Color reproduction processes define different visible areas.

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM**

87. Following a stay at a beach resort, a guest wrote a positive review of it on the Orbitz website. This is an example of a(n)
- A. word-of-mouth (WOM) strategy.
  - B. out-of-home advertisement.
  - C. press release.
  - D. community-involvement activity.
88. In a movie that's about to be released, the main actors stop their car in front of a billboard for InterContinental Hotels. For the audience, this is an example of
- A. special events.
  - B. out-of-home advertising.
  - C. personal selling.
  - D. product placement.
89. Which of the following is most likely to be characteristic of an effective advertising headline:
- A. Multiple typefaces
  - B. Simple, common words
  - C. More than eight words long
  - D. Avoidance of brand name
90. What should you do to write effective direct-marketing copy?
- A. Introduce the call to action early in the material
  - B. Send readers to the company's Facebook page to obtain the order form
  - C. Tell readers how your product is like those of your competitors
  - D. Make incredible claims to hook readers into finishing the material
91. Which of the following is a promotional message that would likely appeal to a target market that consists of 18- to 24-year-old fashion-oriented females:
- A. Newspaper advertisement for an office-equipment sale
  - B. Radio commercial for new energy drinks
  - C. Television commercial showing a popular chain's new clothing line
  - D. Brochure about the health benefits of certain vitamins
92. A business owner checks the final proofs of the body copy of an advertisement against the original, approved copy in order to make sure that
- A. the company logo is in place.
  - B. all the corrections were made.
  - C. all the photos are attractive.
  - D. the headlines are interesting.
93. In just its first six months of operation, Smoky Mountain Cabin Rentals has developed a long list of individuals who have specifically requested more information about the accommodations that Smoky Mountain offers. The company has a mailing address, phone number, and e-mail address for each person. Which of the following direct marketing media would be best suited for communicating directly with these potential guests on a weekly basis:
- A. E-mail
  - B. Direct mail
  - C. Website
  - D. Television
94. Participating in community outreach activities might be considered a form of
- A. institutional promotion.
  - B. customer service.
  - C. target marketing.
  - D. product promotion.
95. Which of the following elements of design might a display designer use to create contrast in a display:
- A. Harmony
  - B. Balance
  - C. Texture
  - D. Distance
96. A hotel purchases theater tickets for upcoming plays, arranges discounts at local restaurants, and advertises that, for one price, a guest can stay at the hotel, receive two tickets to a play, and receive a discount on meals. This special promotion is known as a(n) \_\_\_\_\_ plan.
- A. advertising
  - B. group
  - C. budget
  - D. package

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM

97. A customer has been looking at different brands of the same product for several minutes. What is the most appropriate sales approach to use under these circumstances?
- A. "May I help you?"
  - B. "Good morning. How are you?"
  - C. "Brand X is on sale today."
  - D. "What can I do for you today?"
98. When customers are provided the most satisfactory goods, they have positive feelings about the company and often
- A. take their business elsewhere.
  - B. return the items for credit.
  - C. tell others about the business.
  - D. expect discounts on future sales.
99. Which of the following is an example of suggestion selling:
- A. "This tie matches your shirt."
  - B. "That silk tie is \$28.50."
  - C. "That tie would be my choice."
  - D. "This tie is 100% silk."
100. Which of the following is a factor that often motivates people to choose a certain travel destination:
- A. Methods of promotion
  - B. Actions of competitors
  - C. Level of maintenance
  - D. Recommendations of friends

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

1. D  
Contracts. Business torts are wrongful actions against a business that cause it harm in some way. Disputes concerning contracts are often the basis for businesses suing individuals or other businesses. Many businesses have contractual arrangements with employees or vendors. If these contracts are broken, the business might be harmed and seek compensation through the legal system. Basic torts relating to businesses do not involve disputes concerning assaults, defamation, or emotional stress.  
SOURCE: BL:069  
SOURCE: Miller, R.L., & Jentz, G.A. (2005). *Fundamentals of business law* (6th ed.) [pp. 82-86]. Mason, OH: Thomson/South-Western.
2. B  
Enforce agency regulations. Administrative law deals with the rules and regulations that have been established by governmental agencies. Government and independent agencies have the authority to enact and enforce regulations for various administrative functions, including aviation, taxation, and commerce. The legislative branch of government establishes congressional/parliamentary committees. The judicial branch of government interprets constitutional law and in some instances may overturn a lower court's judicial decision.  
SOURCE: BL:074  
SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3rd ed.) [pp. 88-90]. Mason, OH: Thomson/South-Western.
3. A  
Personnel-related. These standards involve hiring security personnel and/or training hotel staff members to report and deal with criminal activity. Physical-related and property-related security standards involve locking, lighting, and monitoring systems. Procedure-related standards involve monitoring criminal activity and establishing a system for making guests aware of dangerous areas around the hotel.  
SOURCE: BL:065  
SOURCE: Chon, K., Sparrowe, R. (2000). *Welcome to hospitality: An introduction* (2nd ed.) [p. 99]. South-Western.
4. D  
Direct. In direct distribution, the marketing functions are performed by the producers without the assistance of intermediaries. Indirect channels utilize intermediaries between producers and consumers to aid in the movement of products. Both of these types of channels are satisfactory and not unusual, but they are referred to as direct or indirect.  
SOURCE: CM:003  
SOURCE: CM LAP 1—Channel It (Channels of Distribution)
5. C  
Gray marketing. Gray market goods are foreign-made products that are imported into countries by suppliers that are not authorized by the manufacturers. The distribution of gray market goods bypasses the authorized distribution channels, which enables them to sell the goods at low prices. Businesses that buy gray market goods for resale often charge discounted prices. This practice has a negative effect on authorized dealers that purchased the same goods from the manufacturers and are not able to offer large discounts. Sale pricing is pricing items at low levels and promoting them for a limited period of time. Personal selling is the form of promotion that determines client needs and wants and responds through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Volume buying involves buying in large quantities, which often results in receiving a discount.  
SOURCE: CM:006  
SOURCE: Kurtz, D. (2013). *Contemporary marketing: 2013 edition* (pp. 426-427). Mason, OH: South-Western, Cengage Learning.

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

6. A

Take notes while reading. Employees often are expected to read a wide variety of materials to obtain information that they can use on the job or to help the company. Some of this material may be complex, technical, and difficult to understand. To extract relevant information effectively, it is often useful to take notes while reading. Jotting down key points or summarizing helps employees to focus on the information and remember it. It may not be possible to ask frequent questions when reading. Outlines are developed before writing begins. Skimming through chapter titles is not an effective way to extract information.

SOURCE: CO:055

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 310). New York: Glencoe/McGraw-Hill.

7. D

Make comments such as “yes” or “I see” occasionally. When someone talks to you, nod and make short comments such as “yes” or “I see” occasionally. By doing so, you signal that you are listening to the speaker and hearing what s/he has to say. And, when you nod and make short comments, you show your support and encouragement for the speaker. It is very rude to interrupt the speaker to debate what s/he has said. It is not necessary to clap as the speaker makes each of her/his main points. Rather than not making any noise while the speaker is talking, you should limit yourself to short comments.

SOURCE: CO:082

SOURCE: MindTools. (1996-2013). *Active listening: Hear what people are really saying*. Retrieved March 23, 2012, from <http://www.mindtools.com/CommSkill/ActiveListening.htm>

8. B

Practice active listening. This means asking questions and restating what the speaker has said in order to prevent any misunderstanding. A good listener concentrates on the message being delivered, rather than on what s/he is going to say next or on the speaker's posture. Also, by jotting down only key points, the listener can concentrate on what is being said.

SOURCE: CO:017

SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (pp. 192-193, 238). Columbus, OH: Glencoe/McGraw-Hill.

9. B

Thank you for your interest in XWQ products. Please let me know if you have any additional questions. The purpose of an inquiry is to obtain information. Because businesses receive inquiries from customers, vendors, and business associates on a regular basis, employees must be prepared to respond in an accurate, prompt, and courteous manner. When closing an e-mail message, it is courteous to thank customers for asking about the business and its products. And, by encouraging the customer to ask additional questions, the employee is indicating his/her interest in the customer. There is not enough information in the example to determine if the customer placed an order, had a problem with an invoice, or requested product color information. The sentence, "Reply by e-mail with the color that you want," could be interpreted as rude and unprofessional.

SOURCE: CO:060

SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 122-123]. Boston: McGraw-Hill/Irwin.

10. C

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: Miculka, J. (2007). *Speaking for success* (2nd ed.) [p. 20]. Mason, OH: Thomson South-Western.

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

11. D  
Appropriate way to cite his resources. To provide consistency throughout written documents, certain businesses or industries often follow a specific writing style, such as Associated Press (AP) or Chicago Manual. Because each style manual varies and often follows different standards, a writer should check the appropriate style manual to ensure that s/he is formatting a resource citation correctly. A computer-software manual, the computer-software "help" function, or a computer-software website provides information about setting up tables in documents. A dictionary or glossary provides formal definitions of words. A thesaurus provides synonyms for words.  
SOURCE: CO:089  
SOURCE: California State University, Los Angeles. (2012, September 7). *Style manuals and writing guides*. Retrieved August 8, 2011, from <http://www.calstatela.edu/library/styleman.htm>
12. C  
Heading. The heading includes the name of the business, its address, and the date. If the business uses letterhead, only the date must be added to each letter. The receiver's name, title (if any), and address make up the inside address. The salutation is the opening greeting of a business letter, and the body contains the subject matter of the letter.  
SOURCE: CO:133  
SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3rd ed.) [p. 306]. Mason, OH: Thomson South-Western.
13. B  
Face-to-face meeting. When a supervisor must address a sensitive, personal, or confidential issue (e.g., salary) with an employee, it is best to discuss the issue in a private, face-to-face meeting. Company newsletters, telephone conference calls, and staff memos are appropriate ways to communicate and share pertinent information with several people at one time.  
SOURCE: CO:092  
SOURCE: Forbis, A. (n.d.). *A few simple rules for dealing with difficult people at work*. Retrieved September 5, 2013, from <http://www.training.oa.mo.gov/solutionsarchive/Solutions4fall03.pdf>
14. D  
Apologize to the guests and reassign them. One way that employees develop positive relationships with customers is by creating goodwill. Admitting mistakes and solving the problem helps to create goodwill. Most customers understand that mistakes occur sometimes and usually are understanding if the employee apologizes and corrects the error. Blaming the system or the customers usually causes bad feelings and has a negative effect on customer relations.  
SOURCE: CR:003  
SOURCE: Stutts, A.T., & Wortman, J.F. (2006). *Hotel and lodging management: An introduction* (2nd ed.) [pp. 70-72]. Hoboken, NJ: John Wiley & Sons.
15. C  
Accurately determining each customer's needs. Customer complaints often occur when customers make improper buying decisions. Salespersons can help customers avoid dissatisfaction by accurately determining each customer's needs and suggesting appropriate products to meet those needs. The price of products does not determine their appropriateness. Asking customers personal questions or pressuring them are actions that salespersons should avoid.  
SOURCE: CR:010  
SOURCE: Dlabay, L.R., Burrow, J.L., & Kleindl, B. (2009). *Intro to business* (7th ed.) [p. 152]. Mason, OH: South-Western Cengage Learning.

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

16. D  
Aligning business activities with customer needs. A customer-centric business focuses on customer needs and wants. To focus on the customers' needs and wants, the business must ensure that its business objectives and activities align with its customers' needs and wants. A customer-centric business must continuously improve its processes and products to accommodate its customers' changing needs and wants—the business cannot be satisfied with the status quo. A customer-centric business allows its employees to provide input and make decisions in relation to customer relationships. Touch points are all of the opportunities that businesses have to connect with customers and reinforce their brand value. A customer-centric business is not likely to reduce the number of customer touch points.  
SOURCE: CR:016  
SOURCE: CR LAP 2—Know When to Hold 'Em (Nature of Customer Relationship Management)
17. A  
Laws. Distribution systems must comply with government regulations. Businesses are expected to become familiar with the laws in any state in which they produce and/or store products and to comply with those laws. Competition, level of service, and intermediaries affect a company's distribution decisions, but they are not responsible for regulation of distribution activities.  
SOURCE: DS:001  
SOURCE: Kurtz, D. (2013). *Contemporary marketing: 2013 edition* (pp. 72-73). Mason, OH: South-Western, Cengage Learning.
18. D  
Buying concert tickets. Opportunity cost is the benefit that is lost when you decide to use scarce resources for one purpose rather than another. In Angela's situation, her scarce resource was money. Because she decided to purchase a handbag, she didn't have enough money to buy concert tickets. Hanging out with friends, reading a book, and working out at the gym are activities that involve time rather than money.  
SOURCE: EC:001  
SOURCE: EC LAP 6—Are You Satisfied? (Concept of Economics)
19. A  
Consumers can buy quality products at competitive prices. Businesses that are socially responsible focus on ways to improve their operations so that they can meet the needs of consumers while minimizing their own costs. This also maximizes the company's profits so that raising prices may not be necessary. A monopoly exists when a market is controlled by one supplier, and there are no substitute products readily available. An efficient business would produce more products with the equipment it has, rather than having to buy more.  
SOURCE: EC:070  
SOURCE: EC LAP 20—Business Connections (Business and Society)
20. A  
Marketing. Marketing is the process of creating, communicating, and delivering value to customers and managing customer relationships in ways that benefit the organization and its stakeholders. Without marketing, businesses would have no way to sell their products, and consumers would have no way to obtain needed products. Operations management is the process of planning, controlling, and monitoring the day-to-day activities required for continued business functioning. Strategic management is the process of planning, controlling, and organizing an organization or department. Financial analysis is the process of planning, maintaining, monitoring, controlling, and reporting the use of financial resources.  
SOURCE: EC:071  
SOURCE: EC LAP 19—Strictly Business (Business Activities)

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

21. A  
It can create better customer experiences. Because of its specific focus, the divisional organizational structure can create better experiences for customers. For instance, a customer question or complaint made in a certain territory can go directly to that territory's manager instead of national headquarters. The company can then respond to the customer in a quicker and more personalized manner. The structure's unpredictability and encouragement of competition (between divisions) are disadvantages rather than advantages. The matrix organizational structure balances conflicting organizational objectives, not the divisional structure.  
SOURCE: EC:103  
SOURCE: EC LAP 23—Designed to Work (Organizational Design)
22. B  
Market economy. A market (free enterprise) economy is an economic system in which individuals and groups, rather than the government, own or control the means of production. A characteristic of a market economy is that individuals and businesses can use their skills and other resources to compete with other individuals and businesses for scarce consumer dollars. A communist command economy is a command economic system in which the government controls the economic system and does not allow private ownership of resources and production. Imperialism occurs when one territory or country takes control, often by force, of the political and economic system of another territory or country. An independent society is a group of people who may or may not be involved in business activities.  
SOURCE: EC:009  
SOURCE: EC LAP 15—People Power (Private Enterprise)
23. B  
Simplifying existing products. Researchers can speed up production by simplifying existing products, developing new products, and determining better processes. Management should provide employees with adequate job training. Overall, national productivity can limit inflation. Communication between management and labor involves reviewing company goals with employees.  
SOURCE: EC:013  
SOURCE: EC LAP 18—Make the Most of It (Productivity)
24. C  
Greater pressure to expand. Companies that open during a recession generally do not feel pressured to grow quickly because the economy itself is not growing at that time. Companies will have lower costs because they do not feel the pressure to expand quickly. There will be lower levels of competition as firms that were unfit to compete are forced to leave the market. Employees will be less inclined to leave the company during a recession because there will likely be fewer firms hiring in their field.  
SOURCE: EC:081  
SOURCE: Wadhwa, V. (2008, November 10). Startups: The upside of a downturn. *Business Week Online*. Retrieved September 5, 2013, from [http://www.businessweek.com/smallbiz/content/nov2008/sb2008117\\_695019.htm](http://www.businessweek.com/smallbiz/content/nov2008/sb2008117_695019.htm)
25. D  
An unfavorable balance of trade. The difference between a country's imports and its exports is known as the balance of trade. An unfavorable balance of trade occurs when a nation's imports are greater than its exports. This trade deficit decreases the gross domestic product and can lead to a lower standard of living. An increase in exports has a positive effect on the gross domestic product, as does a limitation on imports. A strong U.S. dollar increases imports and discourages exports, which is harmful to domestic businesses.  
SOURCE: EC:016  
SOURCE: EC LAP 4—Beyond US (International Trade)

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

26. D  
The cheater hasn't learned the material. Cheating is unfair to the cheater because s/he hasn't really learned the material. S/He may have temporarily escaped the consequences of not studying, but s/he has compromised his/her education in the process. The other choices are all true results of cheating, but none is unfair to the cheater her/himself.  
SOURCE: EI:021  
SOURCE: PD LAP 7—Make the Honor Role (Acting Responsibly)
27. D  
Making mistakes. Self-control can help you to avoid making mistakes. It is generally necessary to remain calm when provoked, build a reputation, and interact with others to experience professional success.  
SOURCE: EI:025  
SOURCE: EI LAP 14—Control Yourself! (Demonstrating Self-Control)
28. A  
Embarrassing. Mistakes are common, everyday occurrences, and everyone makes them. Even so, we are all embarrassed by them. That makes it hard to admit your mistakes, but learning to do so is very important to personal growth. While we can predict that mistakes will occur, we cannot predict what mistakes will happen.  
SOURCE: EI:003  
SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)
29. B  
Speaking tactfully. A person who considers his/her words carefully before saying them is speaking tactfully. Accepting your own emotions is an important step in developing empathy, but it is not the same as speaking tactfully. Considering your words carefully before saying them is not related to making assumptions or being creative.  
SOURCE: EI:030  
SOURCE: EI LAP 12—Have a Heart (Showing Empathy for Others)
30. D  
The demographic makeup of today's workforce. The demographic makeup of today's workforce proves that diversity cannot be avoided. More women and minorities are in the workforce now, and the average worker is older as well. Stereotypes and prejudices are a main cause of cultural insensitivity. Language barriers and the value placed on individualism are common cultural issues.  
SOURCE: EI:033  
SOURCE: EI LAP 11—Getting to Know You (Cultural Sensitivity)
31. B  
Role playing. Preparation and research are important aspects of successful negotiations. Role play is an activity in which you assume the role of another person. It can help you plan your responses by visualizing a variety of negotiating situations. Reasoning is analyzing a situation or idea, which is an aspect of role-play activities. Mode reflecting is a fictitious term. Brainstorming is a creative-thinking technique involving the identification of as many different ideas as possible during a certain time frame.  
SOURCE: EI:062  
SOURCE: EI LAP 8—Make It a Win-Win (Negotiation in Business)
32. C  
Avoidance. The ways that people react to conflict are called conflict response modes. One of these modes is avoidance, which is the effort to avoid conflict. This type of behavior might include ignoring the situation or pretending that it doesn't exist. Avoidance behavior will not resolve conflict. Frustration is a negative effect of conflict rather than a response mode. Meditation is deep reflection and might be used before reacting to conflict. Exclusion is feeling left out or excluded from an activity.  
SOURCE: EI:015  
SOURCE: EI LAP 7—Stop the Madness (Conflict Resolution in Business)

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

33. B  
Listening to what others have to say. Being a contributing team member does not mean you should talk all the time. Instead, you should listen to what others have to say even when you disagree with them. Take time to think before you answer, rather than responding quickly. Interrupting others and trying to dominate the group by constantly talking are negative behaviors inappropriate to teamwork.  
SOURCE: EI:045  
SOURCE: QS LAP 6—Lean On Me (Teamwork)
34. B  
The second method of decision making. For a group trying to reach a consensus, the “Plan B” is the second method of decision making. The list of alternatives, the ground rules, and the agenda items have nothing to do with “Plan B.” “Plan B” is a completely different method of making the decision—in the event that reaching a consensus is impossible.  
SOURCE: EI:011  
SOURCE: EI LAP 19—It’s a Group Thing (Consensus)
35. C  
Compound interest. Accounts that earn interest on the lump sums deposited (\$100 per year in this example) as well as the interest earned in prior years are called compound interest accounts. Simple interest is calculated on lump sums only. Present value is the current value of one or more future cash payments, discounted at some appropriate interest rate. Inflation is a rise in the general level of prices of goods and services in an economy over a period of time. While inflation has caused the price of college to increase, it is not calculated into how Sophia’s account earns interest.  
SOURCE: FI:062  
SOURCE: Basic-mathematics.com. (2008). *Simple vs. compound interest*. Retrieved September 6, 2013, from <http://www.basic-mathematics.com/simple-vs-compound-interest.html>
36. D  
Like getting a free loan if you pay the balance each month. When you pay the balance on a credit card each month, you are getting what amounts to a free loan. A credit card is not a good way to pay for impulsive purchases—impulsive purchases are usually a bad idea no matter how you pay for them. Credit cards are not an inexpensive way to borrow money for an extended period. Nowadays, easy access to credit cards is a growing problem.  
SOURCE: FI:065  
SOURCE: QS LAP 31—Set Yourself Up (Setting Financial Goals)
37. D  
To balance an account. Reconciling bank statements involves comparing the entries in a checkbook with the entries listed on the bank statement. This procedure is also known as balancing an account. The purpose is to determine the actual amount of money that is in the account. To do this, it may be necessary to add in deposits that have not been posted or subtract checks that have not cleared. If the checking account pays interest, that amount will be listed on the bank statement. It is not necessary to read and reconcile bank statements to withdraw excess money or to make a deposit.  
SOURCE: FI:070  
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 147). New York: Glencoe/McGraw-Hill.
38. C  
Shredding old bank statements. One way that thieves obtain others’ personal information (e.g., bank-account numbers, credit-card numbers) is by going through trash cans and dumpsters. Using a paper shredder to destroy old bank and credit-card statements makes it more difficult for thieves to obtain personal financial information. Disabling computer virus software and storing passwords on web browsers lower the computer user’s security, which increases the risks associated with computer hacking. Photocopying credit-card receipts is not an action that reduces the risk of identity theft.  
SOURCE: FI:073  
SOURCE: Ward, S. (n.d.). *10 ways to prevent identity theft*. Retrieved September 6, 2013, from <http://sbinfocanada.about.com/od/insurancelegalissues/a/identitytheft.htm>

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

39. A  
Stocks. Stocks, mutual funds, real estate, and collectibles are moderate- and high-risk ownership investments that provide opportunities for return by letting you own something of significance. A stock is a piece of paper—whether real or virtual—that says you own part of a corporation. As an owner (or shareholder), you have the rights and responsibilities of ownership. You may be able to sell your stocks for a profit, making a sizeable sum of money. But, being an owner means you risk losing money, too, if the corporation suffers financially or goes out of business. Bonds, savings accounts, and certificates of deposit are lending investments. With a lending investment, you allow someone to borrow your money for a period of time—for a price. The extra money you receive provides the motivation for lending. Investors who can't handle much risk put their money into lending investments. Since Logan is willing to accept a moderate or high risk in exchange for the potential of a moderate or high return, he should invest in stocks.  
SOURCE: FI:077  
SOURCE: QS LAP 32—Risky Business? (Types of Investments)
40. A  
Risk. Insurance is a contractual agreement in which one company (insurer) will pay for specified losses incurred by the other company (insured) in return for installment payments (premiums). Businesses buy insurance to manage risk which is the possibility of loss or failure. Insurance protects the business from many types of risk such as property damage. For example, if a business facility is vandalized, insurance will pay for the repairs. Coverage is the amount an insurance company will pay for a loss. Injury and damage are types of risk for which businesses can buy insurance.  
SOURCE: FI:081  
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (p. 411). New York: Glencoe/McGraw-Hill.
41. D  
Process payroll. Accounting software programs allow businesses to efficiently track various financial data and generate financial reports. Businesses use accounting software to track budgets, income, expenses, and bank transactions. Many comprehensive accounting software programs have applications to process payroll and taxes, forecast sales, and manage inventory. Businesses use project-management software to plan and execute projects. Businesses do not use accounting software to establish insurance policies or to organize media transcripts.  
SOURCE: FI:352  
SOURCE: Brooks, C. (2012, May 16). *The best accounting software*. Retrieved May 6, 2013, from <http://www.businessnewsdaily.com/2530-accounting-software.html>
42. D  
Revenue. The revenue category of the income statement includes the total amount of money earned by a business. It includes interest earned from bank accounts, returns on investments, sale of assets, and sales of the business's goods and services. Assets are anything of value that the business owns. Net income is the money remaining after operating expenses are subtracted from gross profit. Gross sales are the total value of goods or services sold in a period of time.  
SOURCE: FI:094  
SOURCE: FI LAP 4—Watch Your Bottom Line (Income Statements)

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

43. A  
Employee handbook. An employee handbook provides new employees with printed information about the business that the employee can read and refer to when s/he has 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 his/her résumé, which outlines his/her work experience and educational background.  
SOURCE: HR:360  
SOURCE: Dessler, G., & Varkkey, B. (2009). *Human resource management* (11th ed.) [p. 298]. New Delhi, India: Dorling Kindersley.
44. D  
To determine where to locate a new restaurant based on population growth. The U.S. Census data provide information on designated geographic areas that indicate demographic data, social data, and economic data, and allow comparisons across years. The restaurant could use the data to determine whether a geographic area is growing. The type of restaurant to open is already pre-determined by the types of restaurants in the chain. Although the Census data provide social characteristics about a particular area, the Census data do not provide information about the target market's level of desire for a new restaurant. Because zoning laws vary and change, the restaurant headquarters needs to verify zoning requirements with the appropriate agency or government office.  
SOURCE: IM:423  
SOURCE: U.S. Census Bureau. (n.d.). *American fact finder*. Retrieved September 6, 2013, from <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>
45. C  
Computer-assisted interviewing (CAI). CAI software is often used by telephone interviewers such as Rochelle. CAI software enables a computer to display a question exactly as it should be asked. Then, the computer records the answer electronically. Finally, depending on the respondent's answer to the current question, the computer selects the appropriate question to ask next. CAI saves time and confusion. Random-digit dialing (RDD) is a technique used by telephone interviewers to randomly generate telephone numbers to call. A decision support system (DSS) consists of data, tools, and processes used to store data, produce standardized reports, interpret data for managers, and create customized reports when necessary. Interviewing user interface (IUI) software is fictitious.  
SOURCE: IM:328  
SOURCE: Churchill, G.A., Brown, T.J., & Suter, T.A. (2010). *Basic marketing research* (7th ed.) [p. 209]. Mason, OH: South-Western Cengage Learning.
46. A  
Sales records. By analyzing the hotel's sales records, a hotel can identify trends in their business guests' buying behavior. For example, they might determine types of rooms requested and services used while at the hotel. Focus groups, test markets, and vouchers do not capture actual buying behavior that can be examined over a period of time.  
SOURCE: IM:349  
SOURCE: Kurtz, D. (2013). *Contemporary marketing: 2013 edition* (p. 245). Mason, OH: South-Western, Cengage Learning.
47. C  
3. Range is the distance between the highest value and the lowest value. In this example, five is the highest value because it represents the most times during the month that customers visited the business. The lowest number of times customers visited the business was two times a month. To calculate the range, subtract the lowest value from the highest value ( $5 - 2 = 3$ ).  
SOURCE: IM:416  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 445-446]. Mason, OH: South-Western Cengage Learning.

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

48. B  
Relevant and timely. When making an oral presentation, the speaker should present research findings that are relevant, accurate, objective (unbiased), and timely (current). The speaker should present the information in a clear, concise way. Although it helps to grab and maintain the attention of the audience by presenting the research findings in a creative or interesting way, it is more important that the information be relevant, accurate, objective, and timely. The speaker should not present superficial or insignificant information.  
SOURCE: IM:391  
SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [pp. 179, 189-190]. Mason, OH: Thomson South-Western.
49. D  
Pricing. Marketing functions are interrelated activities that work together to get goods and services from producers to consumers. Pricing is the marketing function that involves determining and adjusting prices to maximize return and meet customers' perceptions of value. If customers believe that the product's value is worth the price, then the product is likely to sell well. If the product sells well, then the business earns revenue and a profit. Promotion is a marketing function that communicates information about goods, services, images, and/or ideas to achieve a desired outcome. Product/Service management is the marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. Channel management is the marketing function that involves the processes by which marketers ensure that products are distributed to customers efficiently and effectively.  
SOURCE: MK:002  
SOURCE: MK LAP 1—Work the Big Six (Marketing Functions)
50. A  
Service. Walt Disney theme parks provide a product that is intangible and involves performing acts that satisfy customers' needs or wants. The park provides fun, amusement, and entertainment, which are not concrete or physical in nature. Service marketing has a high degree of perishability since it cannot be stored or warehoused for future use. The person is not promoting or marketing a cause, a lifestyle, or an intermediary.  
SOURCE: MK:008  
SOURCE: Morrison, A.M. (2002). *Hospitality and travel marketing* (3rd ed.) [pp. 32-33]. Albany, NY: Delmar/Thomson Learning.
51. C  
Reach the correct market segment. Target marketing is the identification and selection of markets for a business or for a product. In the travel and tourism industry, target marketing is important in order to identify and reach the correct market segment, which is the group of customers most likely to be attracted to a particular tour, cruise, bus charter, etc. Target marketing in the travel and tourism industry is not intended to analyze the strengths of the industry, develop partnerships with suppliers, or create interesting travel themes.  
SOURCE: MP:034  
SOURCE: Walker, J.R. (2009). *Introduction to hospitality* (5th ed.) [pp. 506-507]. Upper Saddle River, NJ: Pearson Prentice Hall.
52. C  
Flash drive. A flash drive is a small device that plugs into a computer's USB port and allows users to transfer, store, and retrieve information from the computer's hard drive onto the device. The user can plug the information into other computers to retrieve the information when needed. Camera film, audio tape, and computer batteries are not devices that allow businesspeople to store and retrieve electronic documents from a computer.  
SOURCE: NF:081  
SOURCE: Stevens, W. (n.d.). *Computer backup made easy*. Retrieved September 6, 2013, from <http://free-backup.info/computer-backup-made-easy.html>

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

53. C  
Saves time and money. For a business to run efficiently, information must be organized so it can be found quickly whenever it is needed. When information is found quickly, employees are not only saving time, but the employees are saving money (payroll expenses) because they can move onto their next tasks more efficiently. Information overload occurs when information comes too fast to process at one time. Effectively managing information helps reduce information overload. Effective information management practices can help the company's employees to better serve the company's customers, which may increase customer satisfaction levels; however, effective information management cannot always eliminate customer dissatisfaction. Compliance with the law is necessary, regardless of how well the company manages its business information.  
SOURCE: NF:110  
SOURCE: NF LAP 3—In the Know (Nature of Information Management)
54. B  
Software. Software instructs computers to perform specific operations. The various types of software are important components of computer systems because they allow computers to do the work that businesses want them to do. For example, spreadsheet software programs enable computers to analyze financial data, calculate budget information, and create charts and graphs of numeric data. The Internet, websites, and e-commerce are not components of computer systems.  
SOURCE: NF:084  
SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (p. 254). Columbus, OH: Glencoe/McGraw-Hill.
55. A  
A document can be changed while the user is viewing it on a monitor. In word-processing applications, users can change any part of the document, at any time, while viewing the computer monitor. Users can change font size or style, margins, and other formatting elements. The program does not automatically check documents for spelling unless a proofread option has been activated on an individual computer to do so. Documents can be reformatted once they have been saved. Although word processors produce professional-looking documents much faster than typewriters, it does not necessarily reduce the time the user needs to research a project.  
SOURCE: NF:007  
SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (p. 213). Columbus, OH: Glencoe/McGraw-Hill.
56. C  
Download time. The file size of a graphic affects the amount of time that it takes to appear on the computer screen. The larger the graphic, the more time it takes to download or appear on the computer screen. If graphics are too large, computer users might exit the website because it takes too long for the graphics to appear on the web page. The font size and descriptive links relate to text elements rather than graphics. Log files are files that provide information about the activities of website visitors.  
SOURCE: NF:042  
SOURCE: Halvorson, S. (2013, February 21). *How to speed up your website load times*. Retrieved September 6, 2013, from <http://www.webdesignerdepot.com/2013/02/how-to-speed-up-your-website-load-times/>

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

57. C

Virtual private network. Software refers to the programs that instruct computers to perform specific operations. Software that instructs the computer to transfer certain information to specific computer systems through a secure Internet exchange is a virtual private network (VPN). When channel members' computer systems are linked together by this type of software, the necessary information (e.g., purchase orders) can be transferred quickly from one channel member to another, which increases the efficiency of the entire distribution process. An Intranet software system allows information flow among a company's employees. An Internet service provider (ISP) is a company that provides access to the Internet, usually for a fee. A client network refers to a client, usually a business, which has its own Intranet.

SOURCE: NF:106

SOURCE: Gaspar, J.E., Bierman, L., Kolari, J.W., Hise, R.T., Smith, L.M., and Arrelola-Risa, A. (2006). *Introduction to business* (pp. 617-618). Boston: Houghton Mifflin.

58. C

Regulations. When a law affects the records a business keeps, a regulatory factor is influencing the selection of records. Business size may also affect the selection of records, but it is not represented in this example. Leaders and the industry in which the business is involved may or may not affect the selection of records. Leaders and the industry can influence the laws that are introduced, however.

SOURCE: NF:001

SOURCE: NF LAP 1—Record It (Business Records)

59. D

Demographic. Demographic trends refer to the physical and social characteristics of a population. Where people live and their ethnic backgrounds are demographic characteristics. For example, there is a growing trend towards urbanization, which means that more and more people are living in cities rather than in rural areas. Also, the population of many areas is becoming more multicultural, or made up of many different ethnic groups. Businesses consider demographic trends because they realize that changes in the population have an effect on how they market their goods and services to customers. Although where customers live may affect the environment, it's not an environmental trend. Likewise, where customers live can affect their access to technology; however, it is not a technical trend. Cultural trends would involve long-term changes to people's values and beliefs. They do not relate to the ages of people.

SOURCE: NF:013

SOURCE: Kurtz, D. (2013). *Contemporary marketing: 2013 edition* (p. 282). Mason, OH: South-Western, Cengage Learning.

60. A

Report workplace accidents. Certain governmental agencies have developed health and safety regulations that businesses are expected to follow in order to provide employees with a safe work environment. These regulations usually require businesses to report workplace accidents to the appropriate agency. The purpose of this requirement is to identify and correct unsafe working conditions, and to compensate workers who have been injured on the job. Health and safety regulations usually do not require businesses to inspect office facilities, hold regular safety meetings, or purchase fireproof supplies. However, safety-conscious businesses usually inspect their facilities to identify potential safety hazards. Also, businesses often hold regular safety meetings to keep employees informed.

SOURCE: OP:004

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 687-688]. Tinley Park, IL: The Goodheart-Willcox Co.

61. B

Follow safety instructions. Employees can help prevent accidents in the workplace by following the business's safety instructions and procedures. Employees who follow safety instructions are less likely to make errors that result in accidents. Planning job training programs and developing operating guidelines are the responsibility of management. Completing paperwork will not help prevent accidents.

SOURCE: OP:009

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 687-688]. Tinley Park, IL: The Goodheart-Willcox Co.

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

62. A  
Sponsors. You do not need sponsors to complete your project. Sponsors are not a necessary resource. You do need tools, money, and permission (if required).  
SOURCE: OP:001  
SOURCE: QS LAP 28—From Here to Done
63. D  
Evaluate the project's successes and obstacles. During the closing phase of a project, the project manager often meets with team members to evaluate the project's successes and obstacles, problems, and ways to improve. The feedback is then summarized in a “lessons learned” document that can be used by teams that execute similar projects for the organization in the future. Establishing goals, delegating tasks, and determining priorities and processes are activities that are performed before the project begins.  
SOURCE: OP:159  
SOURCE: Campbell, G.M., & Baker, S. (2007). *The complete idiot's guide to project management* (4th ed.) [pp. 335-336]. New York: Penguin Group.
64. C  
Average product usage amount per month. Businesses need office supplies to operate efficiently. The types and quantities of supplies vary by business. To determine the optimal level of inventory to keep on hand, Claire needs to first determine the average amount of the product used for a certain time period, such as a month. For example, if the business goes through two cases of copy paper in June and three cases in July and four cases in August, the average or optimal amount to keep on hand is three cases of copy paper. By determining an average usage amount of routine supplies, the business does not tie up funds by purchasing too many items or risk running out of the items. Employees' preferences, the budgeting method, and the vendors' daily sales promotions are not primary considerations when determining the optimal level of supplies that the business should keep on hand.  
SOURCE: OP:031  
SOURCE: Eastridge, H. (n.d.). *How to maintain office supplies*. Retrieved September 6, 2013, from [http://www.ehow.com/how\\_5108622\\_maintain-office-supplies.html](http://www.ehow.com/how_5108622_maintain-office-supplies.html)
65. D  
Human resources. Human resources, the people who work to produce goods and services, is one of the most important components of the production process. People are needed to run the businesses, operate the equipment, and deal with customers. Even in predominately automated facilities, people need to oversee the operation and perform the tasks that cannot be done by machines. Goods and services are created by the production process. People are needed to develop new technology. Production converts inputs (raw materials) into outputs (goods and services).  
SOURCE: OP:017  
SOURCE: OP LAP 4—Can You Make It? (The Nature of Production)
66. C  
An advertising manager corrects a copywriter's ad copy. An important aspect of quality control is reviewing the finished product to determine if it meets the business's quality standards. Quality is measured throughout all business functions. For example, an advertising manager may be responsible for proofreading and editing a copywriter's work to ensure that the information is accurate and reflects the ad's objective. This process ensures that the ad's quality aligns with the company's overall objectives. The remaining options are routine activities in which the quality of the work is not being evaluated.  
SOURCE: OP:164  
SOURCE: Madison, N., Foster, N., & Joseph, A. (2013, June 8). *What is quality control?* Retrieved February 17, 2011, from <http://www.wisageek.com/what-is-quality-control.htm>

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

67. B

The vendor will pay shipping charges to the national park's gift shop. F.O.B. stands for free (or freight) on board. If terms are F.O.B. shipping point, the buyer pays shipping charges from the point where they are first picked up by the shipping company. If the terms are F.O.B. destination, the vendor is responsible for paying the shipping charges until the goods reach their final destination. In this case, that is the national park's gift shop. Although the park is a government agency, it is still responsible for paying shipping charges. Shipping charges are paid by the vendor or the buyer—not by the shipping company.

SOURCE: OP:184

SOURCE: Brechner, R. (2009). *Contemporary mathematics for business and consumers: Annotated instructor's edition* (5th ed.) [p. 205]. Mason, OH: South-Western Cengage Learning.

68. D

Safeguarding customers and employees. Lives are always more important than money. The well-being of the customers and employees comes first. Employees should be instructed to do what the robber asks—give the robber cash if s/he asks for cash. They should avoid looking the robber directly in the eyes as this may be threatening to a robber. However, employees should pay attention to details such as voice, the weapon, or the robber's appearance. Employees should listen carefully so that they do not have to ask the robber to repeat what s/he said as robbers are usually on edge and may react violently to a simple request.

SOURCE: OP:113

SOURCE: American Bankers Association (2005). *Today's teller: Developing basic skills* (p. 150). Washington: Author.

69. B

The amount of sleep people need varies from person to person. It was once thought that everyone needed eight hours of sleep every night. Studies now indicate that is not true. While the amount of sleep you get will affect your health, you have to determine what amount is right for you. Going to bed early may give you an adequate amount of rest, but it does not guarantee the amount of sleep you will get.

SOURCE: PD:002

SOURCE: PD LAP 5—Brand ME! (Personal Appearance)

70. D

Concept mapping. Concept mapping is a method of clarifying and organizing ideas by using a graphic format to show relationships. This technique involves drawing a map of your ideas so that you can see how one idea relates to another. Concept mapping can be used for developing ideas for many purposes, but it is especially useful for project planning. After you get your ideas down on paper, color-coding your notes can help you see how your thoughts fit together. Redefining involves looking at a problem from a different angle if no solution seems apparent. Ambiguities are words or phrases with either a double meaning or a doubtful meaning.

SOURCE: PD:012

SOURCE: Jensen, C. (2012, November 2). *Concept mapping as a creative tool*. Retrieved September 6, 2013, from <http://www.christopherxjensen.com/2012/11/02/concept-mapping-as-a-creative-tool/>

71. D

Building in planning time. Time management won't happen by itself. You must allocate time in your schedule for planning. Refusing to delegate could be a time waster if others have the ability to finish a task in a timely manner. When you submit work with errors, you end up having to redo the work, when you could have been moving on to something else. Work accuracy depends on the type of work being performed.

SOURCE: PD:019

SOURCE: PD LAP 1—About Time (Time Management in Business)

## SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY

72. A

Future outlook. When researching employment opportunities in business, it is important to consider the future outlook for the type of career. Some careers in certain industries are growing and the future is good. However, careers in other industries are declining. Individuals should find out if there is growth potential or if a job will be phased out over the next few years. An example is an increase in service jobs but a decrease in manufacturing jobs. Vacation time and safety programs vary from business to business and are not major considerations when researching employment opportunities. The office environment is unique to each business. Individuals usually learn about the environment once they begin a job.

SOURCE: PD:025

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (p. 61). New York: Glencoe/McGraw-Hill.

73. C

The résumé contains misspelled words. Mistakes on job résumés often indicate to personnel directors that the applicants are careless and would continue that habit on the job. Applicants who provide error-free résumés are viewed more favorably by personnel directors and often have a better chance of finding jobs. Résumés and cover letters are often sent via email, so cover letters often do not include applicant's handwritten signature. Often, businesses want professional references rather than personal references. In many situations, references are not required until the applicant passes the initial screening process. A college degree does not ensure that the applicant will not make mistakes on the job.

SOURCE: PD:031

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 122-124). New York: Glencoe/McGraw-Hill.

74. A

Joining a professional organization. A professional organization is a group of persons in the same profession who form a society to further their common interests. By joining a professional organization, a businessperson has the opportunity to meet others who work in the same field or industry. When a businessperson talks or networks with other businesspeople about topics such as career-development activities or job leads, s/he is taking steps to advance his/her career. Participating in an online social network, developing a creative résumé and cover letter, and planning a meeting with a sales trainer do not necessarily provide a businessperson with work-related networking opportunities.

SOURCE: PD:037

SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (p. 876). Columbus, OH: Glencoe/McGraw-Hill.

75. B

Cruise director. Cruise directors perform a variety of tasks. Primary responsibilities involve coordinating entertainment activities and special events for the cruise's passengers. Coordinating these activities requires communicating with and managing staff. Because Melanie enjoys traveling, water sports (sailing), and planning social events, a cruise-director position aligns with her skills and interests. Working as a food and beverage manager usually requires specialized training in food preparation and service. Housekeeping managers perform management tasks associated with the cleaning and upkeep of rooms. Because Melanie likes to travel and plan special events, she would probably not want to work as a resort housekeeping manager. A safety officer needs to have special knowledge about the security and safety issues that pertain to cruise ships.

SOURCE: PD:272

SOURCE: Career Guidance. (2013). *Cruise director career*. Retrieved September 6, 2013. from <http://www.careerguidance.com/cruise-director-career.html>

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

76. B

A decrease in the number of guests and an increase in the number of rooms available. A decrease in the number of guests occurs during economic slowdowns because people are reluctant to spend their discretionary income on travel. Consequently, there is an increase in the number of rooms available as more rooms become available for rent. An increase in the number of guests and an increase in the number of rooms available does not follow the law of supply and demand, which suggests that as demand for rooms go up, supply typically goes down. A decrease in the number of guests and a decrease in the number of rooms available would work the other way because as demand goes down, the supply of rooms available for rent typically goes up. An increase in the number of guests and a decrease in the number of rooms available typically occurs during good economic times when people are more willing to spend their discretionary income on travel.

SOURCE: PD:111

SOURCE: Vallen, G.K., & Vallen, J.J. (2005). *Check-in: Check-out* (7th ed.) [p. 7]. Upper Saddle River, NJ: Prentice Hall.

77. A

Negotiable. The hospitality industry experiences fluctuations in demand for hotel accommodations. Supply and demand fluctuations occur for many reasons. For example, seasonal factors affect how resorts price their rooms. They often charge higher prices during typical vacation times because more people are traveling and need sleeping accommodations. Room prices are also affected by the economy. When the economy is good, more people take vacations and more organizations hold off-site business meetings. This creates a higher demand, which lowers the availability of hotel rooms. When people are traveling less, there is a decrease in demand and an increase in room availability. When this occurs, guests can often negotiate lower prices for the guest rooms. The hotels are willing to negotiate so that rooms do not go unoccupied, which is a financial loss for the hotels. Hotel room prices are not consistent, classified, or imprecise as a result of changes in supply and demand.

SOURCE: PI:029

SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2006). *Marketing for hospitality and tourism* (4<sup>th</sup> ed.) [pp. 456-458, 663-666]. Upper Saddle River, NJ: Pearson Prentice Hall.

78. D

Board game. If your Welcome Center specializes in selling community-based products that can be promoted throughout the year, you should buy the board game. The board game is a community-based product because it was developed by the local chamber of commerce. Also, it can be promoted throughout the year because it is not related to a specific holiday or time period. The other products are community-based, but they have time limitations, and customers would only want to purchase them during certain seasons of the year.

SOURCE: PM:260

SOURCE: Cash, R. P., Thomas, C., Wingate, J. W., & Friedlander, J. S. (2006). *Management of retail buying* (pp. 168-173). Hoboken, NJ: John Wiley & Sons.

79. C

A fly-drive vacation package. The main product in the travel and tourism industry is the experience. This experience often includes contact with tangible objects such as airplanes, automobiles, cruise lines, etc. However, what the customer is buying is the actual experience of traveling and visiting destinations. In this example, the fly-drive vacation package is the product because it is what the customer will experience. A brochure explaining cruise options is a promotional piece. Checking on flight schedules and sending confirmation letters are services involved in selling the travel and tourism product.

SOURCE: PM:081

SOURCE: Cook, R.A., Yale, L.J., & Marqua, J.J. (2010). *Tourism: The business of travel* (4th ed.) [pp. 80-81]. Upper Saddle River, NJ: Pearson Educational.

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

80. B

Fabric samples. Vendors will often provide samples of products so that buyers can see, touch, and inspect the products firsthand. In the situation provided, the resort's purchasing manager wants to see the available colors and quality of the linen's fabric. The vendor may provide small samples or swatches of the fabric to help the resort's purchasing manager make a buying decision. A testimonial is a statement by an identified user of a product proclaiming the benefits received from the use of the product. A warranty is a promise made by the seller to the buyer that the seller will repair or replace a product that does not perform as expected. Testimonials and warranties may facilitate the buying decision; however, these options do not allow buyers (purchasing managers) to inspect products firsthand. When a desired item is not available, a vendor may suggest a substitute item that is similar to the item originally requested. A buyer may want to inspect a substitute product before purchasing it; however, there is not enough information provided to indicate that the purchasing manager is requesting samples of a substitute product.

SOURCE: PM:239

SOURCE: Hayes, D.K., & Ninemeier, J.D. (2010). *Purchasing: A guide for hospitality professionals* (pp. 32, 311). Upper Saddle River, NJ: Prentice Hall.

81. B

Concessions. Concessions are items granted by one party to another in order to reach agreement. In a purchasing situation, the buyer might want to negotiate such concessions as delivery by a certain date, favorable shipping terms, or an extended payment period. Obtaining concessions is usually part of the negotiating process. Commitments are promises of various kinds. Commissions are sums earned by salespersons on their sales. Consequences are the results of actions.

SOURCE: PM:264

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 476-477]. South-Western Cengage Learning.

82. B

Sets the business apart from competitors. Many businesses are involved in community activities. The benefit to the business is that this involvement often sets it apart from competitors who may not be involved in community activities. The business usually receives positive publicity for its involvement which helps to create a good public image. Customers often are attracted to these companies because of the publicity and decide to do business with them rather than with their competitors. Businesses often compensate employees if they ask employees to spend time participating in community activities, such as fundraisers for charitable organizations. Being involved in community activities does not help a business to test new products, nor does it necessarily make it possible for customers to meet top management.

SOURCE: PR: 315

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [p. 360]. Upper Saddle River, NJ: Prentice Hall.

83. A

Podcasts. Podcasts are digital audio and/or visual programs that can be automatically or manually downloaded from the Internet to customers' mp3 players or computers. Customers can then listen to and/or watch the podcasts at their leisure. Hospitality and tourism companies may use podcasts to educate or entertain potential guests while also advertising their organizations' services. Social media are typically networking websites that rely on users for content. Blogs are online journals containing entries written by a company, individual, or group of people. Ad serving involves advertising to an Internet user while his/her chosen web page is loading onto her/his browser.

SOURCE: PR:298

SOURCE: Roberts, M. (2008). *Internet marketing: Integrating online and offline strategies* (2nd ed.) [pp. 147-148]. Mason, OH: Cengage Learning.

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

84. B

Viral marketing. Viral marketing is word-of-mouth information that is passed on to others. For example, a customer forwards a message to a friend who sends it to a family member who sends it to a coworker and so forth. It enables information to be spread quickly. A business that sends an email to customers and asks them to forward the email to their friends or associates is engaged in viral marketing. A business that asks customers to forward an email is not engaged in image building, direct advertising, or suggestion selling.

SOURCE: PR:165

SOURCE: Wilson, R.F. (2012, May 10). *The six simple principles of viral marketing*. Retrieved September 6, 2013, from <http://webmarketingtoday.com/articles/viral-principles/>

85. C

Auto-racing. Mobile marketing tactics involve messages sent via smartphone, computer tablet, or any other transportable electronic device. Mobile gaming applications tied to the marketer's sport entertain fans and app users as well as remind them of the organization. In the example, NASCAR (National Association of Stock Car Racing) is most likely to appeal to its fans by releasing auto-racing apps for electronic devices because it ties into the organization's purpose. Flag-football, tennis, and golf applications are not likely to appeal to the target market—auto-racing fans.

SOURCE: PR:276

SOURCE: Rayfield, D. (n.d.). *Get your business moving: 9 types of mobile marketing*. Retrieved September 6, 2013, from <http://harpocial.com/2010/03/get-your-business-moving-9-types-of-mobile-marketing/>

86. D

Color reproduction processes define different visible areas. Each color space is a subset of the true range of visible colors. Software programs that use color mapping can find the relationships between the colors in the two color spaces and determine the best color rendition. CAD-CAM capabilities and color-wheel comparison are not required to obtain close approximations of true colors.

SOURCE: PR:274

SOURCE: Davies, K. (n.d.). *Digital color model puts color in a new light*. Retrieved September 6, 2013, from <http://www.colorcube.com/articles/basics/basics.htm>

87. A

Word-of-mouth (WOM) strategy. Word-of-mouth (WOM) strategies generate and spread genuine ideas, opinions, recommendations, and referrals between people. WOM strategies can be delivered online, offline, or a combination of the two. Other examples of WOM strategies are podcasts, social media comments, viral marketing, buzz marketing, etc. These comments are viewed as credible because they did not come from company representatives. Out-of-home advertising includes billboards, transit ads, street furniture, etc. Community involvement is publicity showing that a company is interested in supporting its community. A press release is a news story about a product, person, or business that is submitted to the press.

SOURCE: PR:319

SOURCE: Kulkarni, K. (2012, December 29). *8 types of word of mouth marketing*. Retrieved September 6, 2013, from <http://www.weblaa.com/community/8-types-word-mouth-marketing>

88. D

Product placement. For the audience, the billboard is an example of product placement. Product placement is the inclusion or mention of a product in a movie or television show. InterContinental would have paid to have the billboard featured in the new movie. For the actors, the billboard is out-of-home advertising. Personal selling involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Special events are planned activities used to generate sales.

SOURCE: PR:323

SOURCE: Neer, K. (1998-2013). *How product placement works*. Retrieved September 6, 2013, from <http://money.howstuffworks.com/product-placement.htm/printable>

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

89. B

Simple, common words. Effective advertising headlines usually use familiar, simple words that are easy to understand and read. Effective advertising headlines typically use just one typeface—multiple typefaces can be distracting. Since long sentences are more difficult to remember, most headlines are only about five to eight words in length. Most effective headlines contain the brand name being advertised.

SOURCE: PR:330

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [pp. 384-386]. Mason, OH: South-Western Cengage Learning.

90. A

Introduce the call to action early in the material. When readers are skimming through direct-marketing materials, they often stop reading before getting to the end of the material. Therefore, writers shouldn't wait until the end of the material to mention the call to action. Naturally, it should be repeated and could be included in the P.S. of the material. Writers want to set their products off from those of the competitors so that readers clearly understand what makes their products the best buy. Writers want to make the call to action as simple as possible for readers rather than sending them to another location to obtain an order form. Incredible claims can damage the company's image. Claims need to be credible.

SOURCE: PR:294

SOURCE: Kaushik, S. (2004-2013). *Tips to increase response rates through direct marketing copy*. Retrieved September 6, 2013, from [http://www.chillibreeze.com/articles\\_various/marketing-copy.asp](http://www.chillibreeze.com/articles_various/marketing-copy.asp)

91. C

Television commercial showing a popular chain's new clothing line. An advertising agency develops effective promotional messages by using strategies that appeal to the target market. To reach a target market of 18- to 24-year-old fashion-oriented females, the agency would likely use a visual medium, such as a television commercial, to show new clothing. A radio commercial for new energy drinks, a newspaper advertisement for an office-equipment sale, and a brochure about the health benefits of certain vitamins would not likely appeal to a target market consisting of 18- to 24-year-old fashion-oriented females.

SOURCE: PR:332

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [pp. 277-278]. Mason, OH: South-Western Cengage Learning.

92. B

All the corrections were made. Checking final proofs of the body copy against the original copy is important in order to make sure that any necessary corrections were made. Advertising copy usually is revised several times before being approved, and it is necessary to make sure that all the changes appear on the final proofs. Headlines, company logo, and photos are other elements of a print ad.

SOURCE: PR:130

SOURCE: Bear, J.H. (n.d.). *Proofs*. Retrieved September 6, 2013, from <http://desktoppub.about.com/cs/basic/g/proofs.htm>

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

93. A  
E-mail. Direct marketing messages can be communicated to consumers via many different media, including e-mail, direct mail, website, television, radio, print, etc. A company website or television, radio, and print advertisements are useful when communicating with a relatively broad target market. Direct mail, on the other hand, allows marketers to target a more specific group of individuals, based on the fact that advertisements can be sent directly to certain people's homes. However, given the fact that the company plans to communicate with this list of interested individuals on a weekly basis, direct mail would become costly. Provided that the interested individuals have given Smoky Mountain Cabin Rentals specific permission to send advertisements via e-mail, weekly promotional e-mails would probably be the best way to communicate directly with these potential guests.  
SOURCE: PR:320  
SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 638]. Mason, OH: South-Western Cengage Learning.
94. A  
Institutional promotion. Promotion refers to the various types of communications that businesses use to inform, persuade, or remind customers of their products. Institutional promotion is a type of promotion that aims to create a certain image of the company in the eyes of the consumer. Participating in community outreach activities often generates publicity, which benefits the businesses. Businesses are often recognized by the media for their participation, so people in the community become aware of the businesses and their community involvement. This reminds people of the businesses and often encourages them to become customers because the businesses are supportive of the community. Participating in community outreach activities is not considered a form of customer service or target marketing. Product promotion is a form of promotion that aims to persuade consumers to buy a good or service.  
SOURCE: PR:341  
SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (p. 395). Columbus, OH: Glencoe/McGraw-Hill.
95. C  
Texture. Texture refers to the surface characteristic of a good or display prop, and may be described as shiny, dull, smooth, or rough. The use of different types of textures in displays creates contrast and draws attention to the main item on display. For example, shiny smooth goods become more prominent when displayed against a contrasting dull rough background. Balance and harmony are principles of display design rather than elements of design. Distance is not an element of design.  
SOURCE: PR:026  
SOURCE: Diamond, J., & Diamond, E. (2007). *Contemporary visual merchandising and environmental design* (4th ed.) [pp. 118-119]. Upper Saddle River, NJ: Pearson Education.
96. D  
Package. These arrangements can consist of anything from sports packages, to theater, to getaway weekends. A group plan is when a hotel gives discounts for large groups of people staying at the hotel. A budget plan covers the costs of operating the hotel. An advertising plan is a plan to promote the hotel.  
SOURCE: PR:082  
SOURCE: Silva, K. E. & Howard, D.M. (2006). *Hospitality & tourism* (p.99). Woodland Hills, CA: Glencoe/McGraw-Hill.
97. C  
"Brand X is on sale today." This is an example of a merchandise approach—a comment or question that helps direct the customer's attention to the merchandise. It usually refers to goods on display in which the customer seems to be showing an interest. The other alternatives are different versions of the greeting, or welcome, approach—a warm, friendly greeting that makes the customer feel welcome and important.  
SOURCE: SE:110  
SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (p. 309). Columbus, OH: Glencoe/McGraw-Hill.

**SAMPLE HOSPITALITY AND TOURISM CLUSTER EXAM—KEY**

98. C

Tell others about the business. It is important to serve customers well so that they will tell others about the good service. Selling appropriate products to satisfy their particular needs is one way of creating good feelings among customers and improving the company's reputation. Satisfied customers will continue to use the company and not take their business elsewhere. Having a positive feeling about a company does not affect the decision to return items for credit. Satisfied customers do not expect discounts on future sales.

SOURCE: SE:114

SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (p. 352). Columbus, OH: Glencoe/McGraw-Hill.

99. A

"This tie matches your shirt." Suggestion selling is a sales technique in which the salesperson attempts to increase the customer's purchase by suggesting additional products after the original decision to buy has been made. Suggesting a tie that matches a shirt may lead the customer to buy both. Saying which tie appeals to the salesperson is simply voicing an opinion. The other alternatives present features of the ties.

SOURCE: SE:875

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 321-323). Woodland Hills, CA: Glencoe/McGraw-Hill.

100. D

Recommendations of friends. People often rely heavily on the recommendations of friends, relatives, and associates when choosing travel destinations. When friends share information about good experiences on cruise ships or on escorted tours, they often encourage each other to take similar trips. People may assume that they and their friends have similar likes and dislikes and would enjoy the same travel destinations. People usually do not select a destination if their friends had a bad experience and do not recommend it. People are not motivated to choose travel destinations because of the methods of promotion, actions of competitors, or level of maintenance.

SOURCE: SE:220

SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [p. 24]. Upper Saddle River, NJ: Prentice Hall.