

1. Janelle owns a fast-food restaurant that is part of a larger chain of restaurants. She paid an initial fee to the owner of the chain when she opened the restaurant. She also has to pay a royalty fee to the parent company based on a percentage of her profits. Janelle is a
 - A. franchisor.
 - B. franchisee.
 - C. licensor.
 - D. licensee.
2. David checked his luggage with a SkyHigh airline attendant before boarding a plane that was traveling from the Atlanta airport to the Denver airport. When he arrived at the Denver airport, David discovered that his luggage was lost. Who is liable for David's loss?
 - A. The Denver airport
 - B. The Atlanta airport
 - C. The SkyHigh Airline
 - D. The airline attendant
3. What type of business is most likely to improve its efficiency by installing an electronic data interchange (EDI) system?
 - A. A bed-and-breakfast inn with two guest rooms
 - B. A large resort with seven restaurants
 - C. A charter fishing boat operator
 - D. An independent taxicab driver
4. To achieve cooperation in the distribution channel, channel captains should
 - A. minimize communication efforts.
 - B. improve performance standards.
 - C. treat channel members fairly.
 - D. use autocratic leadership methods.
5. A month ago, Carmen volunteered to bring cookies to her school's bake sale. She waited until the morning of the bake sale to bake the cookies, and now she has to get them done as quickly as she can. She tries a cookie when it comes out of the oven, and it tastes terrible. Carmen looks back at the recipe and realizes she left out several key ingredients because she was in such a hurry. Which of these steps for following written instructions did Carmen ignore?
 - A. Accept responsibility
 - B. Don't rush
 - C. Know the end result
 - D. Go in order
6. When preparing for a speech, it's most important to
 - A. design visual aids.
 - B. practice.
 - C. plan your appearance.
 - D. write note cards.
7. Which of the following should you be sure to do when taking notes:
 - A. Write as legibly as possible.
 - B. Use correct spelling and grammar.
 - C. Write in complete sentences.
 - D. Try to write down everything the teacher says.
8. You're writing a persuasive letter that you hope will convince people to buy your product. You should be sure your letter
 - A. identifies your central selling point.
 - B. is as subjective as possible.
 - C. uses general words and passive voice.
 - D. uses exaggeration to grab attention.
9. Pamela, a manager, isn't happy with her employee Rob's performance on a recent project. She likes Rob and generally thinks he's a good employee, but she needs to communicate with him to let him know how he can do better next time. She knows that Rob can be sensitive, and she wants to make sure her message isn't misconstrued. Which channel of communication should Pamela choose?
 - A. E-mail
 - B. Face-to-face
 - C. Letter
 - D. Phone call

10. Which is a better customer for a company to have: one who complains about poor service or a faulty product, or one who doesn't?
- A. One who complains because s/he gives the company an opportunity to fix its mistakes.
 - B. One who complains because then the company has an opportunity to explain why the customer is wrong.
 - C. One who doesn't complain because fewer complaints cost the company less money.
 - D. One who doesn't complain because it means s/he is satisfied.
11. Save More Grocery is seeking to maximize the value of their customers by creating long-term relationships and strategies to increase business profits. The business created a smartphone app that will be scanned every time a customer purchases items from Save More. The application provides demographical information, customer preferences, and purchase history. The app is a form of _____ management.
- A. customer relationship
 - B. business process
 - C. human resource
 - D. first-line
12. Which of the following is an example of a capital good:
- A. A truck driver
 - B. Iron ore
 - C. A delivery truck
 - D. Weather conditions
13. When a company experiences a change in human-resources management, it will also experience a change in
- A. profits.
 - B. financial analysis.
 - C. name.
 - D. market share.
14. Which of the following is most likely to have a negative impact on a beach destination's economy:
- A. Hotel and restaurant construction
 - B. Occasional airline delays
 - C. Fluctuations in gasoline prices
 - D. Floods and severe storm damage
15. Dmitri owns a small business on the coast, and there's always a chance his property could be damaged by a hurricane. How could this risk be described?
- A. Pure and insurable
 - B. Pure and uninsurable
 - C. Speculative and insurable
 - D. Speculative and uninsurable
16. Jamie's manager put her in charge of a new project. She'll have to do lots of research, write reports, and prepare presentations. What is the depth and scope of Jamie's job?
- A. High depth, high scope
 - B. Low depth, low scope
 - C. High depth, low scope
 - D. Low depth, high scope
17. What two indexes combine to form the consumer confidence index?
- A. Present situation and economics
 - B. Economics and past situation
 - C. Past situation and expectations
 - D. Present situation and expectations
18. Because changes are always occurring in the hospitality industry, hotel managers must be
- A. aggressive.
 - B. empathetic.
 - C. sincere.
 - D. adaptable.
19. Which of the following best describes an optimist:
- A. Someone who focuses on what's good
 - B. Someone who focuses on what's bad
 - C. A person who sees a partially-filled glass of water as "half empty"
 - D. A person who budgets his/her time wisely

20. Molly offers to take her new coworker out to lunch. She remembers what it was like when she was a new employee two years ago, and she wants to help her new coworker feel comfortable and welcome. What trait is Molly showing towards her new coworker?
- A. Tact
 - B. Empathy
 - C. Sympathy
 - D. Judgment
21. When confronting a conflict, it's important to
- A. ask for feedback and listen.
 - B. focus on your overall feelings about the other person.
 - C. avoid apologizing.
 - D. use "you" statements whenever possible.
22. What's the first thing you should do to motivate team members?
- A. Point out shortcomings so that they know where to improve.
 - B. Give team members fun rewards to look forward to.
 - C. Let team members be creative and try new ideas.
 - D. Set a good example by being positive and confident.
23. Miguel is nervous about taking calculus because he heard the teacher is difficult. However, Miguel believes in himself, and he's sure he'll do well in the class if he works hard and does his best. Which characteristic of adaptability does Miguel show?
- A. Empathy
 - B. Confidence
 - C. Objectivity
 - D. Respect
24. Darnell is a creative person who enjoys having a lot of freedom at work. He likes to work independently, and he doesn't need much guidance or direction. Darnell would work best under a _____ manager.
- A. cooperative
 - B. democratic
 - C. authoritarian
 - D. laissez-faire
25. Morgan received an e-mail that claimed to be from her credit-card company. The e-mail said that her account would be cancelled immediately if she didn't follow a link and enter her credit card and social security numbers. After Morgan did so, she found out that the e-mail wasn't actually from her credit-card company. Instead, it was a scam designed to steal her personal information. Morgan was a victim of
- A. phishing.
 - B. baiting.
 - C. skimming.
 - D. hacking.
26. Marco doesn't like to leave much to chance, so when it comes to investing his money, he knows that he wants something relatively low-risk. He decides to invest in a combination of stocks from different corporations in different industries because it is less risky than investing in just one stock. What type of investment does Marco select?
- A. Money market account (MMA)
 - B. Savings account
 - C. Mutual fund
 - D. Bond
27. When a customer slips on a wet floor in Ruchita's restaurant, he breaks his ankle. He decides to sue her business. Luckily, Ruchita doesn't have to pay the damages because she has _____ insurance.
- A. health
 - B. life
 - C. property
 - D. liability
28. Which of the following is considered an operating expense:
- A. Packaging
 - B. Utilities
 - C. Stolen items
 - D. Raw materials

29. Which of the following statements is true about maintaining a petty-cash fund:
- A. Businesses typically use petty cash funds to pay for transactions that are \$25 or less.
 - B. Three or more employees should be in charge of maintaining the petty-cash fund.
 - C. To record petty-cash transactions, employees should complete a purchase-order form.
 - D. Employees are required to pay back the petty-cash fund, so there is no need to replenish the funds.
30. Which of the following is an example of a finance professional exhibiting responsible behavior:
- A. During a dinner party, Ryan tells his friend specific details about a client's stock portfolio and financial status.
 - B. Katherine wants to make a large commission, so she tries to sell a high-risk financial product to a client.
 - C. A financial advisor delays contacting Olivia to advise her that the value of some of her stock is rapidly declining.
 - D. During their first meeting, a financial planner asks Colin specific questions about his financial goals.
31. Which of the following statements is true of budgets:
- A. They are only necessary for large businesses.
 - B. They involve going without any "extras."
 - C. They create physical records of financial information.
 - D. They must be inflexible to be effective.
32. Noreen, a human resources manager, wants to find applicants for several job openings at her company. She attends job fairs, places ads online, and partners with an outside employment agency. This aspect of staffing is known as
- A. onboarding activities.
 - B. interviewing.
 - C. orientation.
 - D. recruitment.
33. Marketing information revealed that the See-It Tour Company sold the most expensive tour packages in the region last year, which is why the company saw a drop in sales. When the company reduced some of its fees, its sales increased. In this situation, marketing information helped the tour company identify
- A. distribution problems.
 - B. inconsistent management processes.
 - C. pricing issues.
 - D. inefficient operating procedures.
34. Which of the following is a situation that illustrates a hospitality/tourism business collecting primary marketing information:
- A. A car-rental company obtains a research report about travelers' automobile preferences from a professional association's web site.
 - B. A hotel sales representative follows up with clients to get feedback about their experiences with the facility's banquet services.
 - C. A motel housekeeping employee delivers extra towels to a guest's room and asks the guest if s/he needs anything else.
 - D. A corporate conference planner reads a trade publication to obtain information about trends in the event-planning industry.
35. To generate more income for road repairs, beach maintenance, and landscaping, the local government increased the hotel-occupancy tax rate by three percent. This is an example of a _____ change that affects the _____ industry.
- A. technology, transportation
 - B. market, tourism
 - C. regulatory, hotel
 - D. policy, airline
36. If 2,430,695 people visited a popular national park last year, and 40% of the visitors stayed one or more nights at the park's campgrounds, how many overnight campers did the park have?
- A. 977,822
 - B. 987,272
 - C. 972,278
 - D. 982,778

37. A convention and tourism bureau mailed a questionnaire to 750 organizations and businesses and received 27 completed questionnaires back. Based on the information provided, the disadvantage to administering a questionnaire through direct mail is a(n)
- A. poor survey design.
 - B. low response rate.
 - C. communication barrier.
 - D. ineffective sampling plan.
38. A hotel restaurant surveyed its customers to find out how well they like its new summer salad. 200 customers completed the survey and rated the salad on a scale of 1 to 5 in the following manner: 11 rated it a 1; 22 rated it a 2; 68 rated it a 3; 84 rated it a 4; and 15 rated it a 5. Calculate the mean calculated to the nearest tenth.
- A. 3.9
 - B. 3.4
 - C. 4.2
 - D. 4.8
39. Which of the following visual aids is the most effective way to show the relationship between two or more variables over time:
- A. Pie chart
 - B. Geographic map
 - C. Line chart
 - D. Mind map
40. What do executive housekeepers record on inventory lists?
- A. All of the items that need to be fixed in a guestroom
 - B. All of the items in the kitchen that the executive housekeeper manages
 - C. All of the incoming items the executive housekeeper is expecting to receive
 - D. All of the items in a guestroom that need a housekeeper's attention
41. To ensure that all key points of a research report are covered, the marketer should write the executive summary
- A. before preparing the conclusion section.
 - B. first.
 - C. before preparing the recommendations section.
 - D. last.
42. A hotel employee tells his/her guests that the hotel offers shuttles to and from the airport. This is an example of
- A. service marketing.
 - B. process marketing.
 - C. a tangible product.
 - D. a luxury product.
43. Yvonne and her family often eat at their favorite pizza place. They love this particular pizza place because they've built a relationship with the restaurant's employees, who are always friendly and accommodating. This is known as a(n) _____ motive.
- A. rational
 - B. emotional
 - C. experience
 - D. quality
44. When a lodging property develops a weekend package for groups of women who enjoy scrapbooking, it is segmenting the market by
- A. lifestyle and gender.
 - B. gender and life cycle.
 - C. life cycle and geography.
 - D. geography and lifestyle.
45. Which of the following types of information should a business keep on file indefinitely:
- A. Federal income tax returns
 - B. Cancelled checks
 - C. Invoices
 - D. Credit card statements
46. Adian is conducting online research for a marketing project at work. What web-based tool will help Adian save and organize the web sites that contain the relevant information he needs for his final report?
- A. Browser bookmarking applications
 - B. Notebook with color-coded dividers
 - C. Word-processing memo template
 - D. Personal intranet connection

47. The Links Golf Resort uses computer software that charges its guests' food, golf, retail, and other resort-related expenses to their accounts through their room key-cards. The software increases the resort's efficiency because it is
- A. independent.
 - B. automated.
 - C. remote.
 - D. retractable.
48. Which of the following is a disadvantage of keeping digital records:
- A. They are unreliable and easily lost.
 - B. They are more difficult to retrieve than paper records.
 - C. They are typically expensive to store.
 - D. They can become inaccessible due to obsolete technology.
49. Which of the following is true of internal record maintenance?
- A. It helps you determine your profit.
 - B. It is important solely for tax purposes.
 - C. It isn't necessary for new or small companies.
 - D. All records must be kept for the life of the business.
50. Trends indicate a rise in the number of people who like to bring their dogs with them on vacation. To accommodate this travel trend, there are an increasing number of
- A. pet-friendly hotels.
 - B. residential dog parks.
 - C. all-inclusive resorts.
 - D. boutique pet stores.
51. Which of the following restaurant assets would be considered intangible:
- A. A secret recipe
 - B. An expensive oven
 - C. The building
 - D. The waiter's uniforms
52. Which of the following is a common challenge for project managers:
- A. Laws and regulations
 - B. Poorly defined goals
 - C. A surplus of resources
 - D. A lack of risk
53. Filipe is a chef at a restaurant. He always starts with his resources, such as raw vegetables and meats, and then turns them into a fully-cooked meal. When Filipe turns his ingredients into a complete meal, he's taking part in
- A. mass production.
 - B. dispatching.
 - C. the conversion process.
 - D. resource transformation.
54. Which of the following quality control methods is proactive:
- A. Inspecting finished products
 - B. Filling out a corrective action report
 - C. Creating a quality assurance checklist
 - D. Processing customer returns
55. Which of the following is considered a variable expense:
- A. Sales commissions
 - B. Rent
 - C. Loan payments
 - D. Insurance
56. Although the primary purpose of an invoice is to bill a customer for goods and services, invoices can also help the business monitor its customers'
- A. purchasing habits.
 - B. personal attitudes.
 - C. annual incomes.
 - D. buying motives.
57. It is important for hotel employees to wear disposable gloves when emptying trash containers to
- A. prevent damage to the floors and furniture.
 - B. avoid direct contact with sharp objects and bacteria.
 - C. reduce the risk of inhaling dangerous fumes.
 - D. decrease the risk of security breaches.

58. To reduce the risks of air-travel terrorism attacks, airports require passengers to
- A. follow security checkpoint procedures.
 - B. remain seated on airplanes at all times.
 - C. fasten their seatbelts during take-off and landing.
 - D. board the airplane one at a time.
59. Shoshanna wants to become a manager at her office by the end of next year. She writes down what she wants, breaks it down into achievable steps, visualizes herself succeeding, and periodically reviews her progress. Shoshanna is engaging in
- A. objective predicting.
 - B. goal setting.
 - C. success forecasting.
 - D. progress planning.
60. You're trying to decide which college to attend. What type of decision are you making?
- A. Routine
 - B. Limited
 - C. Extensive
 - D. Problematic
61. Angelo calculates the risk of loss, establishes premium rates, and designs policies for his company. His career is in the area of
- A. accounting.
 - B. insurance.
 - C. securities and investments.
 - D. corporate finance.
62. Which of the following information should you include in your résumé:
- A. Relevant volunteer experience
 - B. Reasons for leaving a previous job
 - C. Your salary expectations
 - D. Your personal references
63. Mia is very organized and detail-oriented and enjoys helping others arrange activities such as fundraisers, receptions, and meetings. Based on her skills and interests, Mia might consider working in the hospitality industry as a(n)
- A. accounting manager.
 - B. restaurant chef.
 - C. purchasing agent.
 - D. event planner.
64. What services do many trade organizations provide tourism professionals that helps them learn about industry trends?
- A. Credit
 - B. Job-search
 - C. Educational
 - D. Transit
65. The Internet has changed the way that consumers purchase hospitality and tourism products because they now have the ability to
- A. allocate more discretionary income for leisure travel.
 - B. hire travel agents to develop custom tours.
 - C. book trips at their convenience.
 - D. visit new destinations several times a year.
66. Last year, Jasper Ridge Ski Resort's occupancy rates were lower than normal because the country's overall unemployment rate increased and consumer spending decreased. As a result, Jasper Ridge lowered its prices to stimulate demand. What factor affected the resort's pricing decision?
- A. Political uncertainty
 - B. Competitors' activities
 - C. Economic conditions
 - D. Weather conditions
67. When employees interact with customers in consistent ways, they are
- A. explaining the business's brand philosophy.
 - B. improving the company's product line.
 - C. following company selling policies.
 - D. communicating the business's core values.

68. Which of the following hotels is most likely to have a competitive advantage over other hotels:
- A. The Marcus Hotel because it is located near a major highway on the outskirts of a large city
 - B. The Regency Hotel because it is the only hotel in Portland that offers childcare services
 - C. The Metropolis Hotel because it has a full-service restaurant near the hotel's lobby
 - D. The Hightower Hotel because it has an indoor swimming pool that guests can use
69. What type of statistical data would most likely indicate that a product may be outdated?
- A. Retention rate
 - B. Frequency rate
 - C. Inventory turnover rate
 - D. Conversion rate
70. The Fortnight Hotel chain has over 100 hotels throughout the country that are located near metropolitan conference centers. The chain plans to build 15 golf resorts near popular destination areas over the next five years. This is an example of a business planning a
- A. franchise arrangement.
 - B. restructuring effort.
 - C. cannibalization strategy.
 - D. product extension.
71. Which of the following is a product delivery question that a hospitality business should ask a potential vendor during the vendor-selection process:
- A. How do you rate the quality of your products?
 - B. Do we get discounts on quantity purchases?
 - C. What is the lead time for processing orders?
 - D. Is it possible to get a prompt-payment discount?
72. Before entering a negotiation session with a potential vendor, a business should
- A. determine the concessions that it is willing to make.
 - B. use aggressive tactics to ensure a favorable outcome.
 - C. summarize the negotiation progress periodically.
 - D. actively listen to the vendor's points of concern.
73. Which of the following is an effective design technique that adds a personal touch to a direct-mail piece:
- A. Stamping "Open Now" in neon pink on the back of the envelope
 - B. Addressing the recipient as "Current Resident" on the mailing label
 - C. Using a font that looks like handwriting in the envelope's address section
 - D. Placing the return address at the bottom of the envelope
74. The primary purpose of a corporate blog is to
- A. replace the company's web site.
 - B. sell independent products.
 - C. entertain the audience.
 - D. connect with the target market.
75. The name of a well-known company appears on the hood of a racecar in a video game. This is an example of
- A. videotainment.
 - B. adverfeeding.
 - C. advergaming.
 - D. gamecasting.
76. The Fun-O-Rama Amusement Park is located in Albany, New York. Which of the following web sites is the park's target market most likely to visit:
- A. AlbanyLibrary.gov
 - B. albanytourismbureau.org
 - C. albanylegalservices.com
 - D. AlbanyCatering.net
77. Which of the following is an effective way to personalize e-mail marketing communications:
- A. A multinational company places an online banner advertisement on a popular travel web site.
 - B. A manufacturer sends an electronic newsletter using a distribution list addressed to "preferred customers."
 - C. A business sends a customer an online birthday greeting that includes a coupon for its products.
 - D. A producer sends a general e-mail thanking its customers for their patience during major changes to its web site.

78. When Serena designs a print advertisement, she makes sure that all of the parts of the ad relate to one another effectively. What principle of design is Serena focusing on?
- A. Contrast
 - B. Emphasis
 - C. Balance
 - D. Unity
79. A health spa develops a print advertisement that contains two photos—one of a stressed-out woman before she goes to the spa and one of her looking very relaxed after her stay at the spa. In this situation, the illustrations are communicating product
- A. benefits.
 - B. features.
 - C. tangibility.
 - D. quality.
80. A primary reason for including white space in a print advertisement is because it
- A. minimizes distractions.
 - B. clarifies the copy.
 - C. adds texture.
 - D. reduces the need for graphics.
81. A primary difference between organic and amplified word-of-mouth (WOM) marketing is that organic WOM is _____ communication, while amplified WOM is _____ communication.
- A. systematic, free-flowing
 - B. nonpersonal, customized
 - C. unplanned, planned
 - D. vertical, horizontal
82. Who would be the most successful customer evangelist for the Evergreen Golf Resort?
- A. Ruth Collins, a quiet librarian who lives in a rural community and enjoys reading, sewing, and entertaining her ten grandchildren
 - B. Mike Adams, an outgoing sales representative who plays a lot of golf and enjoys catching up with friends on Facebook and Twitter
 - C. Tommy Banes, a 15-year-old high-school student who spends most of his free time playing sports-related video games with friends
 - D. Olivia Bedford, a 26-year-old law-school student who spends most of her time studying and working part time at a college bookstore
83. A scene of a recently released movie shows a British Airways airplane landing on a runway at Heathrow Airport in London, England. What type of paid promotion did the airline use?
- A. Organic publicity
 - B. Product placement
 - C. Systematic positioning
 - D. Transit media
84. Determine which copy strategy is being using in the following advertisement:
- "Book your trip now! Only eight cabins left for August's seven-day Alaskan cruise."
- A. Independent endorsement
 - B. Rational appeal
 - C. Scarcity appeal
 - D. Solicited endorsement
85. What technology tool is often included in mobile ad copy that enables customers to contact the business by telephone instantly?
- A. Click-to-call
 - B. Throughput
 - C. RSS Feed
 - D. JavaScript
86. What type of advertising proof uses printing inks to provide the most accurate representation of the printed piece?
- A. Desktop digital
 - B. Overlay
 - C. Blueline
 - D. Press
87. Which of the following community outreach programs is most appropriate for a tour-boat operator to sponsor:
- A. Providing breakfast for the local homeless shelter
 - B. Preventative dental care for low-income families
 - C. Education programs for parents of ill children
 - D. Low-cost or free swimming lessons for children

88. What is an ongoing activity that is necessary to perform after launching a web site?
- A. Developing the code
 - B. Planning the navigation system
 - C. Testing the prototype
 - D. Updating the content
89. The first paragraph of a well-written press release should contain
- A. the company's contact information.
 - B. a quote from the company's president.
 - C. the topic's most important facts.
 - D. a humorous statement to grab the reader's attention.
90. 300 guests will be attending the Robertson-Parker wedding reception at the River Edge Country Club. If the ideal staffing ratio for the event is one foodservice server per 30 guests and one bartender per 75 guests, how many employees will the country club need to have on hand for the event?
- A. 10
 - B. 16
 - C. 14
 - D. 12
91. A portable display is most appropriate for a hospitality business to use when the business
- A. exhibits its products at trade shows frequently.
 - B. needs to control its publicity costs.
 - C. is promoting an unusual travel theme.
 - D. distributes most of its services online.
92. If a hotel chain wants to track the number of times that Internet users access its web site through an ad placed on another web site, what marketing metric should be used?
- A. Gross page impressions
 - B. Click-through rate
 - C. Cost per click
 - D. Transactions per hour
93. When campsites are available, a campground offers its campers a 50% discount per night if they extend their stay. What type of promotion is the campground using?
- A. Publicity
 - B. Personal selling
 - C. Sales promotion
 - D. Advertising
94. Which of the following would a travel agency use in a display to promote a two-week tour of England:
- A. A tabletop model of the Eiffel Tower in Paris and a slideshow that highlights the Louvre Museum's major exhibits
 - B. A continuous-running video that features sites such Buckingham Palace and the Tower of London
 - C. A large cardboard cutout of Mickey Mouse and Cinderella standing in front of the Magic Kingdom
 - D. A sombrero, beach towel, colorful balloons, and a large poster of a tropical beach resort
95. Jack is a server at an upscale hotel restaurant. After his customers finish their meals, Jack shows them a dessert tray that displays samples of the restaurant's signature cakes, pies, and ice-cream sundaes and asks the customers if they would like to order one of the desserts. What activity is Jack performing?
- A. Up-selling
 - B. Suggestion selling
 - C. Substitute selling
 - D. Identifying needs
96. Which of the following is an attribute that a hotel salesperson should emphasize when selling the venue to an event planner who is organizing a large awards banquet for prominent members of the media?
- A. The food and beverage division employs a five-star chef.
 - B. The facility has a heated outdoor swimming pool.
 - C. The hotel utilizes several types of advertising media, including broadcast and print.
 - D. The rooms division has 120 standard-size sleeping rooms.

97. Melissa's family goes to the same remote beach destination every year for one week. All of the family members enjoy the quiet, relaxing atmosphere that the location offers. In this situation, the motive to travel to this location is
- A. price.
 - B. adventure.
 - C. comfort.
 - D. prestige.
98. Angela, a travel agent, is helping Mr. and Mrs. Wingate plan their vacation. During their conversation, Angela learns that Mr. Wingate's hobby involves reenacting famous war scenes and that Mrs. Wingate collects antiques and artifacts. Based on the information that Angela learned, she might recommend that Mr. and Mrs. Wingate go on a
- A. guided tour of historical battlefields and museums.
 - B. seven-day Caribbean cruise.
 - C. two-week safari in Kenya, Africa.
 - D. trip to an exclusive resort located near several casinos.
99. What do many hotel chains sell that provides the buyers or users with flexibility to make reservations at their convenience?
- A. Contest passes
 - B. Reward points
 - C. Gift certificates
 - D. Keyless cards
100. A customer presents a hotel gift-shop employee with a coupon for t-shirts. The discount terms state that when the customer buys one t-shirt at the regular price, s/he gets a second t-shirt for half price. If the price of each t-shirt is \$18, and the sales-tax rate is 6.75 percent, how much will the customer pay for his/her purchase?
- A. \$29.83
 - B. \$29.53
 - C. \$28.53
 - D. \$28.83

1. B
Franchisee. Franchising is a method of distributing recognized goods and services through a legal agreement between two parties. The franchisee (in this case, Janelle) acquires the rights to operate the business using the parent company's name. That parent company is known as the franchisor. For someone who wants to be a business owner, purchasing a franchise is often a desirable ownership option because the product has an established brand with a solid reputation. Licensing refers to an owner's authorization or permission for another entity to use trademarked, copyrighted, or patented material for a specific activity, during a specific time period, for the profit of both parties. The licensor is the owner of the material, and the licensee is the buyer.
SOURCE: BL:003
SOURCE: BL LAP 1—Own It Your Way (Business Ownership)

2. C
The SkyHigh Airline. When David checked his luggage with the SkyHigh airline attendant before boarding the airplane, the airline accepted responsibility for the safety of his belongings. Therefore, the airline is liable for David's loss. Typically, passengers must file claims with the airlines to obtain compensation for their losses. Under most circumstances, employers (SkyHigh Airline) are responsible for their employees' actions, and by law, are liable for their on-the-job conduct. In addition, there is not enough information provided to determine if the attendant was actually responsible for the loss. The airports are not liable for the airlines' losses.
SOURCE: BL:135
SOURCE: U.S. Department of Transportation. (2011, October 3). *Fly-right: A consumer guide to air travel*. Retrieved November 28, 2012, from <http://airconsumer.dot.gov/publications/flyrights.htm#baggage>

3. B
A large resort with seven restaurants. A large resort with multiple restaurants is likely to use many suppliers. A hospitality business that purchases high volumes of goods and services from several suppliers may increase its efficiency by using an electronic data interchange (EDI) system. An EDI system automatically transmits the business's sales information to its suppliers via computer, which allows the suppliers to process the business's orders quickly. The EDI system helps reduce telephone calls and paperwork and helps businesses manage their inventories efficiently. A small bed-and-breakfast inn, a charter fishing boat operator, and an independent taxicab driver are less likely to purchase high volumes of goods and services, so an EDI system is less likely to improve their efficiency levels.
SOURCE: CM:004
SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [p. 77]. South-Western Cengage Learning.

4. C
Treat channel members fairly. Channel captains lead and manage the channel members or intermediaries in the distribution channel. When channel captains treat their channel members fairly, there is usually less channel conflict and more cooperation with in the distribution channel. This, in turn, helps all channel members achieve their common goal—satisfying customers. Improving performance standards may not lead to cooperation among channel members in the distribution channel. Minimizing communication and using autocratic leadership methods may cause channel conflict.
SOURCE: CM:008
SOURCE: Perreault, W.D., Cannon, J.P., & McCarthy, E.J. (2008). *Basic marketing: A marketing strategy planning approach* (16th ed.) [pp. 298-300]. Boston: McGraw-Hill/Irwin.

5. B
Don't rush. Remember that reading and following directions is not a race! It's important to take your time and follow the steps provided. Even if you're in a hurry, like Carmen, rushing through directions can actually end up taking more time if you have to spend time fixing your mistakes. It's important to accept responsibility, know the end result, and go in order, but Carmen did not ignore these steps in this example.
SOURCE: CO:119
SOURCE: QS LAP 24—Simon Says... (Important Steps)

6. B

Practice. Although it can be tempting to skip this step, practicing your presentation is the most important part of preparation! You should rehearse your presentation from start to finish several times over a few days. This will help you become comfortable with the material and sound more natural. While it's still important to design visual aids, plan your appearance, and write note cards, none of those things will matter much if you aren't prepared for the speech itself.

SOURCE: CO:025

SOURCE: QS LAP 9—Well Said! (Everyday Oral Presentations)

7. A

Write as legibly as possible. Even though you may be writing your notes quickly, it's important to write as neatly as you can. After all, your notes won't be very helpful if you can't even read them later! You shouldn't worry about using correct spelling and grammar when taking notes. It's more important to focus on content. You also don't need to write in complete sentences. This will only slow down your note-taking. It's impossible to write down everything the teacher says; instead, just try to capture the main points and important information.

SOURCE: CO:085

SOURCE: Stanford University. (2012). *Evaluate your present note-taking system*. Retrieved January 15, 2013, from http://www.stanford.edu/dept/undergrad/cgi-bin/drupal_ual/sites/default/files/common/docs/ctl_notetaking.pdf

8. A

Identifies your central selling point. Your central selling point is what makes you different from your competitors. What makes your product stand out? How are you different from other businesses? You want your readers to know the advantages of your product—that's why you're sending out a persuasive letter in the first place! It's important to make your persuasive letter as objective as possible. Of course, you want your reader to know how great your product is, but you don't want him/her to think that you're biased. If s/he does, s/he may dismiss your letter. It's important to use specific words and active voice. Specific facts show the reader exactly what your product can do, while active voice makes your letter stand out and seem more urgent. While you want your letter to grab the reader's attention, it's important to stay honest. Don't exaggerate just to seem more exciting. Your reader will likely be able to tell, and it may turn her/him off your product.

SOURCE: CO:031

SOURCE: Stanford University. (n.d.). *Writing to persuade*. Retrieved January 23, 2013, from <http://www.stanford.edu/~harryg/protected/secured6/Chapter11.htm>

9. B

Face-to-face. It's important to select the right communication channel when you have to deliver an important message. For Pamela, the best choice is face-to-face communication. If she communicates in person with Rob, he'll be able to hear her tone of voice, watch her facial expressions, and see her hand gestures. He's less likely to interpret her words the wrong way, and even if he does, Pamela will be able to clear up any misunderstandings immediately. While e-mail is a convenient communication channel that's fast and efficient, it doesn't translate Pamela's nonverbal cues. Since tone can often be hard to indicate in an e-mail, the chance that Rob will be upset is much higher. And if he is upset, Pamela will have no way of knowing or fixing the problem, since she won't be in front of him when he receives her message. A letter has many of the same problems as e-mail. Generally, a letter should be sent for special occasions, not just for ordinary conversations about job performance. A phone call, while better than an e-mail or letter, is still not ideal. Rob would be able to hear the tone of Pamela's voice, but he would not see any gestures or facial expressions she may make. Also, Pamela wouldn't be able to observe any of Rob's nonverbal cues, so she may not know if he's upset by their conversation.

SOURCE: CO:092

SOURCE: Fenell, Z. (n.d.). *Importance of communication channels in business*. Retrieved January 23, 2012, from http://www.ehow.com/about_6511827_importance-communication-channels-business.html

10. A
One who complains because s/he gives the company an opportunity to fix its mistakes. Only a small number of dissatisfied customers actually take the time to complain to a business. Instead, they typically tell everyone they know about their bad experience, which can mean a lot of negative publicity for a company that didn't even get a chance to correct the problem. When a customer complains, s/he gives a business the opportunity to fix its mistakes. If a company handles the situation right, it can create a loyal customer. A company should never attempt to tell a customer s/he is wrong, even if s/he is. Instead, the person handling the complaint should listen and empathize with the customer. Fewer customer complaints may save a company time and frustration in the short term, but in the long term they can end up costing money. When customers complain about products or services, they alert a company to possible problems. A company can then fix those problems early on and avoid expensive fixes down the road. If a customer doesn't complain, it doesn't necessarily mean that s/he is satisfied. S/He may just not tell the business that s/he is unsatisfied, which, as mentioned earlier, can actually be much worse than a complaint.
SOURCE: CR:010
SOURCE: Customer Expressions. (1999-2011). *Why is complaints handling important?* Retrieved January 24, 2013, from [http://www.customerexpressions.com/cex/cexweb.nsf/\(GetPages\)/c098e3e1b60af5ba85256ff2006a40ec](http://www.customerexpressions.com/cex/cexweb.nsf/(GetPages)/c098e3e1b60af5ba85256ff2006a40ec)
11. A
Customer relationship. Customer Relationship Management (CRM) uses strategies, processes, and policies to build, maintain, and maximize the long-term value of customer relationships. Goals of CRM include developing a competitive advantage and increasing business profits. Business process management is a business strategy that stresses technology, innovation, and flexibility to align an organization's objectives and activities with customer needs. Human resource management is the process of planning, staffing, leading, and organizing the employees of a business. First-line management includes supervisors who work directly with the employees who carry out the business's routine work.
SOURCE: CR:018
SOURCE: MBA Research and Curriculum Center. (2009). *Introduction to finance course guide* (p. 5-186). Columbus, OH: Author.
12. C
A delivery truck. A capital good is any manufactured or constructed item that is used to produce goods and services. While natural resources are provided by nature, capital goods are created by people. Capital goods can come in many forms, such as equipment, machinery, and tools. Delivery trucks are capital goods because they enable producers to operate businesses and make products available to consumers. Iron ore and weather conditions are both considered natural resources. A natural resource is any resource that is found in nature and used to produce goods and services. Human resources are people who are valued for the work they do to produce goods and services. This includes truck drivers, who are in charge of delivering raw materials and/or finished goods.
SOURCE: EC:003
SOURCE: EC LAP 14—Be Resourceful (Economic Resources)
13. B
Financial analysis. When a company experiences a change in human-resources management, it will also experience a change in financial analysis. This is because the business activities are interrelated, and one activity experiences a change, the other activities will change or adjust as well. For example, if a company hires more employees (a part of human-resources management), it will have to adjust the budget to be able to pay them (a part of financial analysis). A change in human-resources management would not necessarily cause a change in profits, the business's name, or market share.
SOURCE: EC:071
SOURCE: EC LAP 19—Strictly Business (Business Activities)

14. D
Floods and severe storm damage. Floods and storms can cause damage that shuts down lodging facilities, restaurants, tourist attractions, airports, and roads. When businesses are not operating and generating income, the local economy is negatively impacted. Occasional airline delays and minor fluctuations in gasoline prices are normal, so these factors do not typically negatively affect a community's economic health. Hotel and restaurant construction indicates that the local economy is growing.
SOURCE: EC:136
SOURCE: Shean, T. (2006, July 20). *Expert says powerful hurricane would devastate local economy*. Retrieved December 10, 2012, from <http://hamptonroads.com/node/128411>
15. A
Pure and insurable. A pure risk is a risk with two possibilities—loss or no loss. This describes the loss Dmitri faces from a hurricane. His business may be damaged, or it may not, but there's no chance he will gain something from a hurricane. Pure risks are considered insurable risks, meaning that businesses are able to take out insurance policies against them. Speculative risks bring the possibility of loss, no change, or gain. This category includes strategic and financial risks. Since these risks are unpredictable, they're uninsurable.
SOURCE: EC:011
SOURCE: EC LAP 3—Lose, Win, or Draw (Business Risk)
16. A
High depth, high scope. Scope is the number of different operations you do on the job and the frequency with which you do them. The lower your task level, the lower the scope. Putting doors on cars in an assembly line, for example, is low scope, since you're performing one task over and over again. Because Jamie is doing a variety of tasks, her job is high scope. Depth is the amount of control you have over the tasks that you do. If your job has low depth, that means there are strict guidelines you must follow, and you have very few decisions to make. Since Jamie is in charge of her project, she'll be making lots of decisions. This means her job is high scope.
SOURCE: EC:014
SOURCE: EC LAP 7—Divide and Conquer (Specialization and Division of Labor)
17. D
Present situation and expectations. The Consumer Confidence Index (CCI) details American consumer attitudes about current and future economic conditions. Data is available by age, income, and region. The Consumer Confidence Index is made up of the Present Situation Index (40%) and the Expectations Index (60%). The Present Situation Index is based on how consumers rate present business conditions and available jobs in their area. The Expectations Index is derived from predictions for business conditions and job availability in six months. Economics and past situation are not indices that are a part of the Consumer Confidence Index.
SOURCE: EC:081
SOURCE: Amadeo, K. (2011). *Consumer Confidence Index*. Retrieved January 21, 2013, from http://useconomy.about.com/od/economicindicators/p/consumer_confid.htm
18. D
Adaptable. Being adaptable is the ability to accept and deal with change effectively. Successful managers are not only adaptable, but they help employees, vendors, and customers adjust to changes, too. Empathetic people have the ability to relate to the feelings, thoughts, and experiences of others. Sincere people are genuine in nature. Expressing empathy and sincerity helps build positive relationships, but these traits do not always relate to adapting to change. Aggressive behavior is conduct based on a willingness to ignore the rights of others and to take advantage of them to achieve personal goals.
SOURCE: EI:090
SOURCE: CareerAge.com. (1999-2011). *Hotel & hospitality management*. Retrieved December 11, 2012, from <http://www.careerage.com/career/cc/hotel/>

19. A
Someone who focuses on what's good. If someone focuses on what's good, that person is an optimist. Optimists can also be described as people who see the glass as "half full" or who look on the bright side of things. Pessimists, meanwhile, focus on what's bad, see a partially-filled glass of water as "half empty," and look on the dark side of things. Budgeting your time wisely doesn't necessarily mean that you are an optimist.
SOURCE: EI:019
SOURCE: EI LAP 3—Opt for Optimism (Positive Attitude)
20. B
Empathy. Empathy is the ability to put yourself in another person's place or to see a situation from another person's point of view. Molly can understand how her coworker feels because she was in the same situation two years ago—that's empathy. Tact is the ability to do or say the right thing in any circumstances. When you speak tactfully, you consider your words carefully before saying them. It's important that Molly speak tactfully to her new coworker, but that's not what she's doing in this example. Sympathy is the ability to recognize another person's feelings. If Molly simply felt sorry for her coworker's situation, she would be sympathetic. However, Molly actually understands what it's like to be in her coworker's position, so she's being empathetic. Molly is not judging her new coworker—being empathetic means *not* being judgmental.
SOURCE: EI:030
SOURCE: EI LAP 12—Have a Heart (Showing Empathy for Others)
21. A
Ask for feedback and listen. It's very important to not only ask the other person for their feedback but to listen to what they have to say, as well. You can then verify your understanding by summarizing the other person's comments or by asking additional questions. You don't want to focus on your overall feelings about the other person—instead, you should focus on your feelings about the person's behavior. You should apologize if you've yelled at or insulted a coworker. Avoid using "you" statements, as they tend to place blame and fault on the other person. Instead, try to use "I" statements, which convey your beliefs, perceptions, and feelings.
SOURCE: EI:015
SOURCE: EI LAP 7—Stop the Madness (Conflict Resolution in Business)
22. D
Set a good example by being positive and confident. The first step in motivating your team is having a positive attitude and setting a good example. Try to remain energetic and confident and look for the positives in every situation. If you're negative, complain about coworkers, or talk about how you'll never get your project done on time, your team will pick up on your attitude. It's important to give team members rewards to look forward to and to let them try new ideas, but your own attitude has to come first. You can't motivate others unless you've motivated yourself. Although it is important to let your team members know about areas that need improvement, it's important not to do that right away. If you start out with something negative, team members may become discouraged before they even begin.
SOURCE: EI:059
SOURCE: De Baar, B. (2008, May 12). *25 sure-fire ways to motivate your team members*. Retrieved January 16, 2013, from <http://www.shrinkonia.com/motivate-your-team-members-248.html>
23. B
Confidence. Everyone reacts to new situations differently, but adaptable people consistently exhibit certain attitudes or behavior when stuff happens—big and small. When Miguel expresses a positive belief in his ability to handle a new situation, he is displaying confidence. This attitude will help him adapt to his challenging calculus class. Empathy, objectivity, and respect are also important characteristics of adaptable people, but Miguel isn't showing those traits in this particular example.
SOURCE: EI:006
SOURCE: QS LAP 15—Stuff Happens! (What's Happening?)

24. D
Laissez-faire. A supervisor or manager who takes a “hands-off” approach to managing employees uses a laissez-faire style. This involves providing only general guidance, permitting employees to function independently, and encouraging creativity and initiative. This is a good match for Darnell, since he likes to work independently and doesn't need much guidance. Democratic managers exercise only a moderate amount of control over their employees. They seek input from employees, encourage employees to participate in planning and decision-making, and share authority. This style of management is also referred to as the participative-management style. Authoritarian managers are very “in-charge” people who prefer to exercise a high degree of control over their employees. These managers offer very little freedom or independence. “Cooperative” is not a term typically used to describe a management style.
SOURCE: EI:037
SOURCE: EI LAP 5—Can You Relate? (Positive Working Relationships)
25. A
Phishing. Phishing occurs when a scammer sends out an e-mail pretending to be a legitimate company, such as a credit-card company, in order to gain personal information. The phisher typically sends readers to a fake website that asks them to enter personal information, which can include credit card numbers, social security numbers, bank account numbers, etc. It's a good idea to be especially suspicious of any requests for personal information you receive online. Avoid giving out personal information unless you contact the company yourself. Skimming occurs when a thief runs a credit card through a “skimmer” to steal personal information. Hacking involves a person gaining access to a computer system to steal information. Baiting is not a term commonly used to describe phishing.
SOURCE: FI:073
SOURCE: Webopedia. (2012). *Phishing*. Retrieved January 21, 2013, from <http://webopedia.com/TERM/P/phishing.html>
26. C
Mutual fund. Mutual funds are a good investment for people who are concerned about risk. Stock mutual funds are combinations of stocks from different corporations or agencies, usually from different industries. The idea behind mutual funds is that they aren't as risky as buying individual stocks, but they offer a good chance of receiving a return. The return Marco gets will depend on how much risk he's willing to take. A savings account is a lending investment in which you lend money to a bank for the benefit of being able to access your money at any time. Savings accounts are very low-risk, but they don't make much money. With money market accounts, you're able to access some of your money each month, but not all of it. There's a slightly higher interest rate than with a savings account. A bond is a lending opportunity offered by a government, municipality, or corporation. Bonds are low-risk, but you have to be willing to leave your money with the borrower for a long time (sometimes as much as 30 years!).
SOURCE: FI:077
SOURCE: QS LAP 32—Risky Business? (Types of Investments)
27. D
Liability. Liability insurance provides compensation for losses caused by injuries, accidents, and negligence. It protects businesses like Ruchita's from having to pay for liability-related costs themselves. Life insurance provides coverage to beneficiaries when the policyholder dies. Property insurance compensates business owners if their buildings, equipment, or inventory are damaged or lost. If a fire or flood wipes out a business's inventory, property insurance can help the business avoid complete financial ruin. Health insurance helps employees pay for their doctor visits, medicine, and any other health-care related expenses.
SOURCE: FI:081
SOURCE: Hamel, G. (n.d.). *Types of insurance explained*. Retrieved January 17, 2013, from <http://smallbusiness.chron.com/types-insurance-explained-41590.html>

28. B

Utilities. Utilities fall under the “operating expenses” category on an income statement. Operating expenses are those incurred from keeping a business's doors open. The business pays these expenses so it can operate. Operating expenses can be either variable (amounts that are constantly changing, such as advertising costs) or fixed (amounts that stay the same for long periods of time, such as rent). This category includes expenses like employee wages, insurance, and administrative costs. Packaging, stolen items, and raw materials are all considered cost of goods sold/cost of sales. This category on an income statement includes all direct costs to obtain and/or produce the goods or services that a business sells.

SOURCE: FI:094

SOURCE: FI LAP 4—Watch Your Bottom Line (Income Statements)

29. A

Businesses typically use petty cash funds to pay for transactions that are \$25 or less. Businesses use petty-cash funds to pay for small, work-related expenses such as stamps, office supplies, or snacks for an office meeting. Petty-cash policies vary by business, but employees are usually required to provide a receipt for bookkeeping purposes. It is best to one or two employees manage the petty cash to ensure that the funds are tracked and replenished appropriately. Businesses complete and submit purchase orders to vendors for large orders.

SOURCE: FI:310

SOURCE: Murray, J. (2012). *How do I set up and manage petty cash?* Retrieved December 11, 2012, from <http://biztaxlaw.about.com/od/createarecordssystem/f/managepettycash.htm>

30. D

During their first meeting, a financial planner asks Colin specific questions about his financial goals. Responsible financial planners ask questions to determine their clients' financial goals and their comfort levels with risk. When financial planners understand their clients' financial needs and wants, they are better equipped to help their clients set realistic financial goals. The statement does not provide enough information to determine if Katherine's client is comfortable buying a high-risk financial product. If the client is not a risk-taker, then Katherine is acting irresponsibly. Sharing a client's confidential information with a friend and delaying bad news about an investment are irresponsible and unethical behaviors.

SOURCE: FI:355

SOURCE: Peavler, R. (2013). *Financial ethics will improve the profitability of your small business.* Retrieved January 29, 2013, from http://bizfinance.about.com/od/fraud/a/Financial_Ethics.htm

31. C

They create physical records of financial information. It would be impossible for a business to remember and keep track of all of its financial information without recording it in some way. With a budget, a business is able to keep a record of financial information that is accurate, accessible, and meaningful. Budgets do not mean going without any “extras,” although that is what the word brings to mind for many people. Budgets are actually powerful tools for accomplishing financial goals, even extraordinary ones. Budgets are not just for large businesses—they're also a necessity for the smallest business. Budgets must be flexible in order to be effective. After all, they're only estimates. A business might spend or earn more money than it originally estimated. To accommodate these variances, budget figures may have to be adjusted.

SOURCE: FI:106

SOURCE: FI LAP 3—Money Tracks (Nature of Budgets)

32. D
Recruitment. Recruiting is the aspect of staffing that involves seeking out and attracting qualified potential employees. The key to recruitment is finding just the right number of applicants—not enough, and it may be difficult to find a qualified, well-suited candidate; too many, and the process becomes lengthy and time-consuming. Interviewing happens after a list of potential candidates has been identified and the applicants who don't meet minimum requirements have been "weeded out." Onboarding activities occur after an employee has been hired and can include employee orientation and various types of paperwork, like insurance, tax-withholding, direct deposit, and citizenship information. Orientation varies from business to business, but it may involve giving the employee a tour of the facilities and making introductions, giving the employee information about company procedures and policies, and familiarizing the employee with his/her new work space and equipment.
SOURCE: HR:410
SOURCE: HR LAP 35—People Pusher (Nature of Human Resources Management)
33. C
Pricing issues. When businesses have marketing information to help them identify opportunities and problems that affect their activities, they can take action to grow their businesses and make changes to improve their situations. In the example, marketing information revealed that the tour company lost sales because it was charging too much money for its products. When the company lowered its prices, its sales increased. There is not enough information to determine if management processes and operating procedures played a role in the tour company's pricing issues. The situation does indicate if the company experienced distribution problems.
SOURCE: IM:420
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [p. 114]. Upper Saddle River, NJ: Prentice Hall.
34. B
A hotel sales representative follows up with clients to get feedback about their experiences with the facility's banquet services. Primary information is information collected for the purpose at hand. Because the hotel salesperson is collecting feedback for a specific purpose—to learn about his/her clients' experiences with the facility's banquet services—s/he is collecting primary information. Secondary information is information that has been collected for other purposes. A research report on a professional association's web site and a trade publication are sources of secondary information. Delivering towels and asking the customer if s/he needs anything else is providing good customer service.
SOURCE: IM:422
SOURCE: Churchill, G.A., Brown, T.J., & Suter, T.A. (2010). *Basic marketing research* (7th ed.) [p. 200]. Mason, OH: South-Western Cengage Learning.
35. C
Regulatory, hotel. When governments increase taxes, they are making regulatory changes. When a government increases the occupancy tax rate, hotels pass this increase onto their guests. The example is not a market change that affects the tourism industry; a technology change that affects the transportation industry; or a policy change that affects the airline industry.
SOURCE: IM:425
SOURCE: Mayock, P. (2012, November 30). *A bed tax plan that works*. Retrieved December 10, 2012, from <http://www.hotelnewsnow.com/Blog.aspx/9472/A-bed-tax-plan-that-works>
36. C
972,278. Hospitality and tourism businesses and organizations measure and analyze different market segments to determine how to best market their services. For example, a national park attracts many types of markets including overnight campers, sightseers, rock climbers, bicycle enthusiasts, etc. To determine the number of visitors who stayed overnight at the park's campgrounds, multiply the total number of visitors by the percentage of overnight campers (2,430,695 X .40 or 40% = 972,278).
SOURCE: IM:427
SOURCE: Mill, R.C. (n.d.). *Segments of the market*. Retrieved November 13, 2012, from http://www.atme.org/pubs/archives/77_218_1101.CFM

37. B
Low response rate. One disadvantage of administering a questionnaire through direct mail is that the marketer cannot control how many people complete and return the questionnaire. In the example, the convention and tourism bureau received 27 out of a possible 750 responses, which is a low response rate, making the collected data less reliable. Poor survey design, an ineffective sampling plan, and other communication barriers are potential factors that contributed to the low response rate; however, there is not enough information provided to determine if these factors affected the questionnaire's response rate.
SOURCE: IM:297
SOURCE: Churchill, G.A., Brown, T.J., & Suter, T.A. (2010). *Basic marketing research* (7th ed.) [p. 212]. Mason, OH: South-Western Cengage Learning.
38. B
3.4 The mean is the average of the values within a sample. If the values range from 1 to 5, the mean is the average of the respondents' ratings. To calculate mean, first multiply the number of respondents by the value of their rating ($11 \times 1 = 11$; $22 \times 2 = 44$; $68 \times 3 = 204$; $84 \times 4 = 336$; $15 \times 5 = 75$). Then, add the values and divide by the number of respondents ($11 + 44 + 204 + 336 + 75 = 670$; $670 \div 200 = 3.35$ or 3.4). In this example, 3.4 is the mean rating for the quality of the hotel restaurant's new summer salad based on a scale of 1 to 5.
SOURCE: IM:416
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 170-171). Woodland Hills, CA: Glencoe/McGraw-Hill.
39. C
Line chart. Line charts help the audience understand how circumstances or variables relate to one another over time. For example, a line chart might show how a hotel's occupancy rates change over several months or years. Geographic maps illustrate differences or conditions within a geographic area. Businesspeople often use a pie chart to compare the parts of a whole concept. A mind map is a brainstorming tool that helps users graphically organize ideas and information by using shapes, pictures, and words.
SOURCE: IM:347
SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 372]. Upper Saddle River, NJ: Pearson Prentice Hall.
40. D
All of the items in a guestroom that need a housekeeper's attention. To aid in planning the housekeeping department's work, the executive housekeeper prepares inventory lists of all the items that need housekeeping's attention. The report should be prepared in the order in which housekeepers will clean items and in which supervisors will inspect the rooms. The inventory lists are also used to develop cleaning procedures, training plans, and inspection checklists. The executive housekeeper does not manage the kitchen. Items go into inventory once they're received—not while they're expected. Items that need to be fixed are identified on a maintenance report.
SOURCE: IM:390
SOURCE: American Hotel & Lodging Educational Institute. (2005). *Lodging management program* (2nd ed.) [p. 223]. Lansing, MI: Author.
41. D
Last. Placed at the beginning of the research report, the executive summary is an overview of entire report. It highlights the key points of the research report and is usually written after all other report's components (e.g., methodology, recommendations, and conclusion) have been completed to ensure that the most important information is included.
SOURCE: IM:414
SOURCE: Fagnani, S. (n.d.). *How to write an executive summary for a research report*. Retrieved December 10, 2012, from http://www.ehow.com/how_6382667_write-executive-summary-research-report.html

42. A
Service marketing. Services are intangible products that other people perform. In the example, the hotel's shuttle-bus driver is performing the service of transporting guests from one location to another. The situation provided is not an example of process marketing, a tangible product, or a luxury product.
SOURCE: MK:008
SOURCE: Gorham, G., & Rice, S. (2007). *Travel perspectives: A guide to becoming a travel professional* (4th ed.) [pp. 204-207]. Clifton Park, NY: Thomson Delmar Learning.
43. B
Emotional. Emotional motives are reasons for buying that appeal to customers' feelings. In Yvonne's case, her family's emotional motivation is their relationship with the restaurant's employees. Rational motives are reasons for buying that appeal to customers' senses of logic or judgment. For example, if Yvonne's family went to a pizza place that has the lowest prices, that would be a rational motive. A combination of both emotional and rational motives is typically what it takes to convince customers to make a purchase. However, not everyone's the same—some people care more about rational motives, while others care more about emotional motives. That's why it's so important for a company to get to know its customers and figure out what they want. Experience and quality are not terms commonly used to describe motives.
SOURCE: MK:019
SOURCE: MK LAP 3—Just Do It...Right (Company Actions and Results)
44. A
Lifestyle and gender. The lodging facility is offering a product option that appeals to women (gender) who enjoy scrapbooking, which is a hobby or lifestyle choice. Segmenting a market by life cycle involves designing travel products to appeal to people in their various stages of life, such as retirees or young families. Geographic segmentation involves segmenting a market by physical location.
SOURCE: MP:035
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 38-41). Woodland Hills, CA: Glencoe/McGraw-Hill.
45. A
Federal income tax returns. The IRS suggests there are some records that a company should keep for the life of the business. These records include federal income tax returns. Some other types of business documents don't need to be kept as long. Documents such as cancelled checks and invoices only need to be kept about six or seven years, while credit card statements only need to be retained for a year. It's important to keep documents for the recommended amount of time in the event of a tax audit. When it's time to dispose of a file, per the company's policy, that file should be completely destroyed.
SOURCE: NF:081
SOURCE: Omar, S. (2004-2012). *What every small business owner should know about record retention*. Retrieved January 21, 2013, from <http://www.isnare.com/?aid=298230&ca=Business>
46. A
Browser bookmarking applications. Browsers are computer software that retrieve information from the World Wide Web. Browsers have bookmarking applications that allow computer users to select web sites and store their URLs on a personal computer for easy access in the future. Bookmarking applications allow users to organize sites by categories by placing them into folders on a computer. Notebooks are not online tools. An intranet is an internal network similar to the Internet that is accessible only by authorized employees. A word-processing memo template formats a type of written message.
SOURCE: NF:006
SOURCE: ebusinesscoach. (n.d.). *Four easy steps to organize your research information*. Retrieved November 20, 2012, from <http://ebusinesscoach.hubpages.com/hub/Four-easy-steps-to-organize-your-Research>

47. B
Automated. Room key-cards are similar to credit cards. When the guest swipes his/her room key-card at the point of sale (e.g., hotel restaurant), the computer chip that is embedded in the room key-card transmits transaction data to the hotel's computer system, which adds the expense to the guest's folio or bill. The guest pays for his/her purchases during the check-out process. This software helps the resort accurately track its guests' buying behavior and increases hotel efficiency because it reduces paperwork by using a central bookkeeping system. The software is not independent, remote, or retractable.
SOURCE: NF:106
SOURCE: Domotel. (n.d.). *Hotel facility management and PMS software in one application*. Retrieved December 11, 2012, from <http://www.domotelhospitality.com/index.php/property-management-system/hotel-reservation-software.html>
48. D
They can become inaccessible due to obsolete technology. Technology advances quickly, and it can become out of date just as fast. For instance, most of today's computers cannot access data stored on a floppy disc. Smart businesses "migrate" their older digital records to current technology whenever possible. Digital records are actually easier to retrieve than paper records because you don't have to rifle through file cabinets to find what you're looking for. Digital records are also less expensive to store than paper records, since they don't require any physical space or filing cabinets. Digital records are reliable and they aren't easily lost, especially if you're careful to back up all of your information.
SOURCE: NF:001
SOURCE: NF LAP 1—Record It (Business Records)
49. A
It helps you determine your profit. If you don't pay attention to or maintain records, you'll have no idea how much your business is selling or where you're losing money. It's important to maintain good records so you can determine your profit. Records help you keep track of sales, prices, and inventory, all of which help you determine how much money your business is actually making. Record maintenance isn't just important for tax purposes—it's helpful with all aspects of business planning! Internal record maintenance is important for all companies, whether they're big, small, new, or old. In fact, record maintenance can help a small company identify opportunities and grow into a larger company. While it's important to keep some records indefinitely (income tax returns, for example), some records only need to be kept for a much shorter amount of time. For example, there's no need to keep every receipt forever.
SOURCE: NF:014
SOURCE: Biondi, T. (n.d.). *A guide to small business record keeping*. Retrieved January 25, 2013, from <http://www.life123.com/career-money/small-business/record-keeping/a-guide-to-small-business-record-keeping.shtml>
50. A
Pet-friendly hotels. Because many people consider pets to be important members of their families, they often prefer to travel with them. Many hotel chains and destination rental properties are beginning to provide pet-friendly accommodations. Some boutique hotels even provide special services to pamper pets such as grooming, spa, and walking services. Many communities are opening dog parks, which tend to attract local residents that need a place for their pets to exercise rather than travelers. All-inclusive resorts are those in which food and beverages are included in the price of the guest's stay. All-inclusive resorts may or may not allow pets on the property.
SOURCE: NF:048
SOURCE: Chisholm, C.K. (2012). *Who let the dogs inn? Pet-friendly hotel chains*. Retrieved December 11, 2012, from <http://hotels.about.com/cs/petfriendly/a/dogsinn.htm>

51. A
A secret recipe. An intangible asset is one that's not physical. For example, intellectual property, trade secrets, customer lists, and business plans are all intangible assets. Even though intangible assets aren't physical, they're sometimes the most valuable thing a company owns. A secret recipe may be what differentiates one restaurant from another. Ovens, buildings, and waiter's uniforms are all tangible, physical business property.
SOURCE: OP:153
SOURCE: Fiuccia, B. (2012). *Protecting your company's most important assets*. Retrieved February 12, 2013, from <http://www.entrepreneur.com/article/45740#>
52. B
Poorly defined goals. Poorly defined project goals are one of the many challenges that project managers routinely face. A surplus of resources would be a *good* thing, as would a lack of risk! Laws and regulations may affect business projects, but they typically don't pose a challenge.
SOURCE: OP:158
SOURCE: OP LAP 6—Projected to Win (Nature of Project Management)
53. C
The conversion process. During the conversion process, inputs turn into products. Any activity that takes resources and turns them into something usable is considered a conversion process. In Filipe's case, this includes cooking. He starts with resources (raw vegetables and meats) and turns them into something usable (a fully-cooked meal). Dispatching involves issuing orders for production to start. Dispatches are usually written orders that tell employees what their job assignments are, when to move materials from storage to the work area, or which tools and equipment to assemble. Mass production means producing products in large quantities. Mass production typically involves assembly lines, robotics, automation, and computer-controlled equipment. This is not what Filipe's doing when he prepares one meal at a time. Resource transformation is not a term commonly used to refer to the conversion process.
SOURCE: OP:017
SOURCE: OP LAP 4—Can You Make It? (Nature of Production)
54. C
Creating a quality assurance checklist. Proactive quality control involves stopping problems before they happen. One way to do this is by creating a quality assurance checklist. Quality assurance methods are typically proactive and often save money since defective products are never produced. Reactive quality control focuses on fixing problems after they've happened. This can include tasks such as filling out a corrective action report, inspecting finished products, and processing customer returns. Reactive quality control tends to cost more money and create more waste, since problems aren't discovered until after the products have already been produced.
SOURCE: OP:164
SOURCE: McKenzie, Eleanor. (1999-2013). *The differences in quality control and quality assurance*. Retrieved February 12, 2013, from http://www.ehow.com/list_7628030_differences-quality-control-quality-assurance.html
55. A
Sales commissions. Variable expenses are those that can change when sales volume changes. This includes sales commissions. When there are fewer sales, a business pays a smaller amount in sales commissions, but when sales are up, it pays more. Fixed expenses don't change, even when sales fluctuate. Rent, loan payments, and insurance are all considered fixed expenses. Even if your business doesn't have a single customer, you still have to pay these expenses.
SOURCE: OP:024
SOURCE: Reference for Business. (2012). *Fixed and variable expenses*. Retrieved January 25, 2013, from <http://www.referenceforbusiness.com/small/Eq-Inc/Fixed-and-Variable-Expenses.html>

56. A
Purchasing habits. An invoice is the formal, printed record of a sale that includes all necessary information of a sales transaction. The information includes the buyer, the seller, items purchased, quantities, prices, delivery date, credit, discount terms, etc. Because invoices record detailed information about sales transactions, businesses can review their invoices to analyze their customers' buying habits. By reviewing invoices, a business can determine the best-selling products and the products that are not moving, which helps the business make decisions about its product mix. Invoices do not reveal information about customers' personal attitudes, annual incomes, or buying motives.
SOURCE: OP:184
SOURCE: Burrow, J.L. (2012). *Marketing* (3rd ed.) [pp. 128-129]. Mason, OH: South-Western.
57. B
Avoid direct contact with sharp objects and bacteria. Wearing disposable gloves when emptying trash containers prevents direct skin contact with bacteria, sharp objects (e.g., broken glass), and dangerous chemicals that can harm the employee's hands and spread blood-borne pathogens. Wearing disposable gloves does not prevent damage to floors and furniture, decrease the risk of security breaches, or reduce the risk of inhaling dangerous fumes. To reduce exposure to fumes, employees should wear ventilation masks.
SOURCE: OP:134
SOURCE: Redman, B. & Richards, W. (2008). *Skills tasks and results training* (2nd ed.) [p. 398]. Lansing, MI: American Hotel & Lodging Educational Institute.
58. A
Follow security checkpoint procedures. Due to terrorism threats, airports require passengers to follow several procedures before boarding airplanes. The procedures typically involve baggage searches and electronic body scans to check for potentially deadly items such as explosives, guns, and knives. Passengers are required to remain seated and wear seatbelts during take-off and landing for personal safety reasons. While in the air, airlines typically allow passengers to get out of their seats to use the bathroom facilities. Boarding the airplane one person at a time does not reduce the risk of air-travel terrorism attacks because security measures occur before the passengers board the airplane.
SOURCE: OP:115
SOURCE: Tyson, J. & Grabianowski, E. (n.d.). *How airport security works*. Retrieved December 18, 2012, from <http://science.howstuffworks.com/transport/flight/modern/airport-security4.htm>
59. B
Goal setting. Goal setting is the ability to visualize, set, and focus on achieving objectives. It's how you determine what it is you want to do. The basic steps of goal setting include choosing your goal, writing your goal down, breaking your goal down, visualizing your goal, and reviewing and updating your goal regularly. Objective predicting, success forecasting, and progress planning are not terms commonly used to describe goal setting.
SOURCE: PD:018
SOURCE: PD LAP 16—Go For the Goal (Goal Setting)
60. C
Extensive. Decisions that demand a lot of careful consideration, such as deciding which college to attend, are known as extensive decisions. Limited decisions refer to decisions that require a little time to look at each alternative, and routine decisions are ones you hardly have to think about at all. Neither applies to your college search, since you'll likely be spending a great deal of time deciding where to go. Problematic isn't a term used to describe decision making styles.
SOURCE: PD:017
SOURCE: PD LAP 10—Weigh Your Options (Decision Making in Business)

61. B
Insurance. Angelo is an underwriter, so his job responsibilities include calculating the risk of loss, establishing premium rates, and designing policies. The insurance industry exists to protect individuals from financial losses. Other careers in insurance include insurance agent, claim adjuster, and benefits consultant. Accounting encompasses careers that record, classify, summarize, analyze, and communicate a business's financial information and business transactions for use in management decision making. The securities and investments industry consists of brokerage firms, investment banks, and stock exchanges. The corporate finance function in a company is to manage policy and strategy for capital structure, budgeting, acquisition, and investment; financial modeling and planning; funding; dividends; and taxation.
SOURCE: PD:025
SOURCE: PD LAP 15—Go For It! (Careers in Business)
62. A
Relevant volunteer experience. Don't limit yourself to including just work or school experience on your résumé. If you learned relevant skills while volunteering, let your potential employers know! It's important to remember that you don't have to include everything about your life on your résumé. In fact, there's some information you should definitely leave out. While honesty is always the best policy, you shouldn't mention why you left a previous job on your résumé. Save that information for your interview (if the interviewer asks). Don't disclose your salary expectations, either. If an employer wants to know your salary expectations, s/he will ask for them. Otherwise, giving a number that's either too high or too low could take you out of the running. You shouldn't list your personal references on a résumé because employers usually only end up calling your references if you've advanced in the interview process. An interviewer will ask to see your references if s/he needs them. It's also important to show respect for your references and only give out their contact information when it's absolutely necessary.
SOURCE: PD:031
SOURCE: Eggers, K. (2011, March 16). *The ten worst things to put on your résumé*. Retrieved January 21, 2013, from <http://www.fins.com/Finance/Articles/SB130021278360394737/The-Ten-Worst-Things-to-Put-on-Your-Resume>
63. D
Event planner. Convention centers, hotels, restaurants, and other types of businesses hire and employ event planners to coordinate many types of events including fundraisers, wedding receptions, trade shows, and business meetings. To ensure that their clients have everything they need for successful events, event planners should be organized and detail-oriented. A restaurant chef develops the menu, prepares entrées, and manages the kitchen staff. A purchasing agent locates, negotiates, and buys goods and services for the business. An accounting manager supervises the accounting function's staff and activities.
SOURCE: PD:272
SOURCE: Remenyi, R.L. (2012). *Event planner job description*. Retrieved December 13, 2012, from http://www.ehow.com/about_5396968_event-planner-job-description.htm
64. C
Educational. Trade and professional organizations typically provide their members with opportunities to further their education within the industry by offering seminars, workshops, classes, etc. These types of continuing education programs help tourism professionals keep up with trends that affect the tourism industry. Many trade and professional organizations post industry-related job openings on their web sites and in their newsletters; however, this practice, as well as credit and transit services, do not usually involve educating members about industry trends.
SOURCE: PD:061
SOURCE: Reference for Business. (2012). *Professional and trade organizations*. Retrieved December 14, 2012, from <http://www.referenceforbusiness.com/encyclopedia/Per-Pro/Professional-and-Trade-Organizations.html>

65. C

Book trips at their convenience. Today, people are able to access airline, car-rental, hotel, and travel (e.g., Expedia) web sites 24/7. Consumers access web sites through the Internet, which enables consumers to research destinations, comparison shop, and book their trips at their convenience. Because consumers are booking more of their travel plans themselves, the use of travel agents has declined. Not everyone has the income or ability to travel several times a year.

SOURCE: PD:105

SOURCE: Reynolds, J.S. (2010). *Hospitality services: Food & lodging* (2nd ed.) [pp. 84-85]. Tinley Park, IL: Goodheart-Willcox Company.

66. C

Economic conditions. Economic conditions can dramatically affect hospitality businesses. When people are unemployed, they do not have money to spend on vacations. This, in turn, has a negative effect on the resort's occupancy rates and sales. As a result, the resort is likely to lower its prices to stimulate short-term sales. Political uncertainty, such as an upcoming election, may affect economic conditions, but there is not enough information provided to determine if this situation exists. The example does not indicate that competitors' activities or weather conditions were factors that prompted the price decreases.

SOURCE: PI:039

SOURCE: Silva, K.E. & Howard, D.M. (2006). *Hospitality & tourism* (pp. 230-231). Woodland Hills, CA: Glencoe/McGraw-Hill.

67. D

Communicating the business's core values. The business's core values are the beliefs, principles, and standards that guide the business's activities and are the foundation of the business. The business communicates its core values in many ways—through product quality and delivery, sales and credit policies, and its interactions with customers through variety of touch points. Employees must understand and embrace the business's core values to communicate them consistently to customers. If the business is communicating its core values effectively through its actions, then it is unnecessary for employees to explain the business's philosophy (beliefs) to customers.

SOURCE: PM:214

SOURCE: Ross, M.C. (2011, March 14). *How to engage staff with your core values*. Retrieved December 18, 2012, from <http://www.digicast.com.au/blog/bid/85612/How-to-Engage-Staff-with-your-Core-Values>

68. B

The Regency Hotel because it is the only hotel in Portland that offers childcare services. A competitive advantage is the edge achieved by a business that offers something better than the competition. The Regency Hotel differentiates itself from other hotels by being the only hotel in the city to provide childcare services for guests, which provides it with a competitive advantage. Many hotels are located near major highways and have full-service restaurants and indoor swimming pools. There is not enough information provided to determine if these options provide their guests with something unique that give the hotels a competitive advantage.

SOURCE: PM:246

SOURCE: Innovation Zen. (2006). *Competitive advantage: Introduction*. Retrieved November 29, 2012, from <http://innovationzen.com/blog/2007/01/24/competitive-advantage-introduction/>

69. C
Inventory turnover rate. The inventory turnover rate (stockturn) is the number of times that stock is sold in a given period of time. The turnover rates can reveal which items are popular and which items are not selling well. If the items are moving slowly, the turnover rate will be low. If the item is inexpensive and has sluggish sales, it might be outdated. This type of statistical data can help the business decide if it should delete an item from its product line or not. Frequency is a quantitative measure of the average number of times a target customer is exposed to an advertising message. The retention rate measures the percentage of customers that a business retains or keeps over a specific period of time. The conversion rate measures the percentage of prospective customers who respond to a promotional activity and then buy from the business.
SOURCE: PM:224
SOURCE: Davis, J. (2007). *Measuring marketing: 103 key metrics every marketer needs* (pp. 270-272). Hoboken, NJ: John Wiley & Sons.
70. D
Product extension. A product extension is a good or service added to an existing product line or product category that relates to but differs from the main product. Because both product lines provide hospitality services, they are related. The chain's two products differ because the new product markets to destination travelers and businesspeople who golf, while the original product markets to businesses and convention attendees. Cannibalization exists when the sale of one of the company's products takes away sales from another of its products. Because the products attract different markets, it is unlikely that cannibalization will occur after the golf resorts are up and running. The hotel chain is not restructuring its organization. The hotel is not entering into a franchise arrangement, which is a contractual agreement between a parent company and a franchisee to distribute goods or service.
SOURCE: PM:099
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 640). Woodland Hills, CA: Glencoe/McGraw-Hill.
71. C
What is the lead time for processing orders? Lead time is the amount of time that passes between placing an order and receiving the stock. Lead time is an important consideration when choosing vendors because the business needs to determine the safety stock level to ensure that it doesn't run out of inventory. Factors that affect the lead time include the vendor's order processing procedures, the vendor's location in relation to the business, and/or production processes. Discounts and quality are not issues that relate to the vendor's ability to deliver product.
SOURCE: PM:263
SOURCE: Hayes, D.K. & Ninemeier, J.D. (2010). *Purchasing: A guide for hospitality professionals* (p. 132). Upper Saddle River, NJ: Pearson Education.
72. A
Determine the concessions that it is willing to make. Businesses negotiate contracts with their vendors to obtain the best prices, sales terms, and support. Effective negotiations require careful research and planning before the negotiation session begins. An important planning consideration is for the business to determine its optimal outcome and the concessions that it is willing to make to achieve agreement. Concessions are terms that the business is willing to give up. For example, the business's optimal quantity discount is 15%, but it is willing to give up 3% and settle for a 12% discount. Use of aggressive tactics is more likely to hinder the ability to reach agreement. Summarizing the negotiation process periodically and actively listening to the vendor's points of concern are actions taken during the negotiation rather than before.
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. 465, 471-472]. South-Western Cengage Learning.

73. C

Using a font that looks like handwriting in the envelope's address section. Individuals and businesses receive a lot of direct mail to their homes and offices. Many times, these special offers end up in the trash can before they are opened. By adding personal touches, the direct-mail sender increases the chance that the recipient will open and read the direct-mail offer. One technique many marketers use involves printing the recipient's name and address directly on the envelope with a font that looks like handwriting. This technique is especially effective when using an envelope that is the size of a greeting card. By doing so, it appears that the offer is handwritten and personal. Addressing the recipient as "current resident" is impersonal. Stamping "Open Now" on the envelope does not add a personal touch. The proper placement of the return address is at the top left corner on the front of the envelope.

SOURCE: PR:301

SOURCE: Mummert, H. (2009, August 26). *4 direct mail tactics that are working right now*. Retrieved December 6, 2012, from <http://www.targetmarketingmag.com/article/4-direct-mail-tactics-are-working-right-now-411607/1>

74. D

Connect with the target market. A blog is an online diary or journal. The primary purpose of a corporate blog is to connect with the company's target market. Companies typically post videos and articles about business-related topics that are likely to interest the audience. For example, a health-club blog might post a video about treating strained muscles or post an article about the latest exercise trends. Blogs typically have areas that allow readers to post comments about the topics at hand. The companies review the readers' comments to learn about their target markets' opinions, needs, and wants, so they can implement activities and develop products that appeal to their markets. Although companies often provide product information and use entertaining techniques to attract readers, the primary purpose of corporate blogs is not selling independent products, entertaining the audience, or replacing company web sites.

SOURCE: PR:281

SOURCE: Swallow, J. (2010, July 20). *10 tips for corporate blogging*. Retrieved December 3, 2012, <http://mashable.com/2010/07/20/corporate-blogging-tips/>

75. C

Advergaming. Advergaming involves including a product, brand, or company in a video game for promotional purposes. In the example, the video game involves car racing, so the company's name was included on one of the video game's racecars as a sponsor. The situation described is not an example of adverfeeding, videotainment, or gamecasting.

SOURCE: PR:280

SOURCE: Obringer, L.A. (n.d.). *How advergaming works*. Retrieved December 18, 2012, from <http://money.howstuffworks.com/advergaming1.htm>

76. B

albanytourismbureau.org. Businesses typically place online advertisements on web sites that are most likely to attract their target audiences. Because the city's tourism bureau promotes tourist activities in and near the community, the amusement park is likely reach more members of its target market on the tourism bureau's web site than it is on library, legal, or catering web sites.

SOURCE: PR:164

SOURCE: Silva, K.E. & Howard, D.M. (2006). *Hospitality & tourism* (p. 263). Woodland Hills, CA: Glencoe/McGraw-Hill.

77. C

A business sends a customer an online birthday greeting that includes a coupon for its products. Recipients are more likely to open, read, and respond to personalized e-mail messages. Because customers typically appreciate businesses that acknowledge important life events, businesses often send personalized birthday and anniversary e-mail messages with promotional offers that appeal to the customers' particular needs and wants. This tactic is one way that businesses can increase short-term sales and build customer relationships in a cost effective way. Sending a general e-mail message to customers, placing an online banner advertisement on a travel web site, and distributing the same message to "preferred customers" are not personalized.

SOURCE: PR:165

SOURCE: Norris, A. (2012, July 10). *Effective email marketing strategies that really work*. Retrieved December 20, 2012, from <http://www.marketingzen.com/effective-email-marketing-strategies-that-really-work/>

78. D

Unity. The basic principles of design are the guidelines for creating effective layouts for advertisements. Unity involves making sure that all ad components—the headline, graphics, copy, etc.—relate to one another effectively. Emphasis is the focal point of the advertisement. Balance is the design principle that focuses on the size, weight, and position of the advertising elements. Contrast is the design principle that uses elements of different sizes, shapes, textures, and tones.

SOURCE: PR:222

SOURCE: Lane, W.R., King, K.W., & Russell, J.T. (2005). *Kleppner's advertising procedure* (16th ed.) [pp. 518-519]. Upper Saddle River, NJ: Pearson/Prentice Hall.

79. A

Benefits. Advertisers often use before and after photos to illustrate the benefits (advantages) of using a product or obtaining a service. In the situation presented, the ad suggests that a stay at the spa can help you relax and feel rested. Features are a product's characteristics (e.g., size, weight, color, etc.). Spa services are intangible. Quality is the product's level of excellence, which may be subjective in the eyes of the consumer.

SOURCE: PR:322

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 410] Mason, OH: South-Western Cengage Learning.

80. A

Minimizes distractions. White space is blank space in a print advertisement that is unoccupied by text or illustrations. Advertisers use white space as a design element to add balance to the ad layout. White space minimizes distractions and clutter, which helps the reader to focus on the most important elements of the advertisement. Using the right combination of words clarifies the copy or text. White space does not add texture or reduce the need to include graphics in the advertisement.

SOURCE: PR:275

SOURCE: Newspaper Association of America. (n.d.). *Ten components of a good ad layout*. Retrieved December 20, 2012, from <http://www.ndnadvertising.com/10reasons/Ten-Components-Of-A-Good-Ad-Layout.pdf>

81. C
Unplanned, planned. Word-of-mouth (WOM) marketing involves customers telling others—family, friends, and coworkers—of their satisfaction with a particular business. Organic word-of-mouth marketing occurs when satisfied customers voluntarily tell people around them about a business that they like. In this way, the communication or promotion is unplanned because it occurs during normal conversation. On the other hand, amplified word-of-mouth marketing takes place when marketers encourage their customers to share information about a business with others. Because the marketers develop and implement strategies to distribute information for their customers to share with others, this type of communication is planned. Organic WOM is personal, spontaneous, and may either be vertically (e.g., employee to supervisor) or horizontally (e.g., friend to friend) transmitted. Amplified WOM may or may not be customized, free-flowing, or horizontal communication.
SOURCE: PR:319
SOURCE: Abilla, P. (2007, March 4). *Part 4: Organic vs. amplified word-of-mouth marketing*. Retrieved December 14, 2012, from <http://www.shmula.com/part-3-organic-vs-amplified-word-of-mouth-marketing/353/>
82. B
Mike Adams, an outgoing sales representative who plays a lot of golf and enjoys catching up with friends on Facebook and Twitter. A customer evangelist is a very loyal product user who encourages others to try the product. The customer evangelist actively seeks up-to-date information about the product, brand, or business and passes that information on to his/her social network. Businesses use a variety of strategies to provide their most loyal, outspoken supporters with information to pass on to others. Mike Adams is more likely to be a successful customer evangelist because he plays a lot of golf and uses social media to communicate with his friends and family. Ruth, Tommy, and Olivia have other interests and/or responsibilities, so they are not the ideal customer evangelists for the golf resort.
SOURCE: PR:273
SOURCE: Wommapedia. (2012). *Know your game: Evangelist marketing*. Retrieved December 14, 2012, from <http://www.wommapedia.org/>
83. B
Product placement. Product placement is the inclusion or mention of a product or business (e.g., British Airways) in a movie or television show. The situation presented is not an example of organic publicity, systematic positioning, or transit media.
SOURCE: PR:323
SOURCE: Nayer, M.(2011, April 27). *Hyatt Hotels goes Hollywood*. Retrieved December 3, 2012, from http://www.4hoteliers.com/4hots_fshw.php?mwi=5987
84. C
Scarcity appeal. Because there is a limited number of rooms on the cruise ship, the travel agency is using a scarcity appeal to get clients to purchase the last available cabins on the ship. A rational appeal involves focusing on the client's functional or practical needs. An endorsement is approval by a reputable external source.
SOURCE: PR:126
SOURCE: Ambekar, A. (2009, January 9). *Different types of advertising appeals*. Retrieved December 20, 2012, from <http://www.articleswave.com/advertising-articles/types-of-advertising-appeals.html>

85. A
Click-to-call. This is a form of technology that converts web-based text into telephone connections. The technology involves embedding a hyperlink into a web advertisement that potential customers receive to their computers, smartphones, or tablets by e-mail or text message. When a person clicks on the hyperlink, it automatically connects him/her to the business by telephone. The advantage to businesses that include click-to-call extensions in their mobile ads is that potential customers can get product information or place an order immediately. Throughput measures the performance of network connections, hard drives, and RAM. RSS (Really Simple Syndication) Feed is a content delivery system. JavaScript is a programming language.
SOURCE: PR:318
SOURCE: BusinessNewsDaily Staff. (2012, August 12). *How to write great mobile ad copy*. Retrieved December 3, 2012, from <http://www.businessnewsdaily.com/2967-how-to-write-mobile-ad-copy.html>
86. D
Press. A proof is the final opportunity for advertisers to review ads, correct mistakes, and approve the ads. Correct color is very important to a company or organization that is placing print advertising. For example, corporate logos may have a very specific color or color combination that identifies the organization or product. Because a press proof uses the actual printing inks used to print the advertisement, advertisers can see how the color will actually look on the printed piece. The disadvantage of press proofs is that they are very expensive. Overlay proofs contain multiple colors, but the colors are not very accurate. Bluelines show a single-color image. A desktop digital proof provides a close representation of color, but it is not as accurate as a press proof.
SOURCE: PR:130
SOURCE: Lane, W.R., King, K.W., & Russell, J.T. (2005). *Kleppner's advertising procedure* (16th ed.) [pp. 557-558]. Upper Saddle River, NJ: Pearson/Prentice Hall.
87. D
Low-cost or free swimming lessons for children. Businesses often sponsor or support causes that relate to the nature of their business. Tour-boat operators work on the water and understand the importance of knowing how to swim. Therefore, sponsoring low-cost or free swimming lessons for children would be a related program that teaches a life-saving skill. Dentists are likely to provide preventative dental care for low-income families. Hospitals are likely to provide education programs to help parents of ill children. Restaurants may provide breakfast for the local homeless shelter.
SOURCE: PR:347
SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [pp. 361-363]. Upper Saddle River, NJ: Prentice Hall
88. D
Updating the content. Because web site visitors expect web-site information to be current, it is important to update content as needed. For example, a business should update the product price list if prices change and introduce new products when they are available. Planning the navigation, testing the system, and developing the programming code are activities that are performed before the web site is launched.
SOURCE: PR:328
SOURCE: McConnell, C. (2010, August 2). *A 6-step general process for producing a web site*. Retrieved December 20, 2012, from <http://sixrevisions.com/web-development/a-6-step-general-process-for-producing-a-website/>

89. C

The topic's most important facts. Because press releases provide media outlets with news about the business, writers typically use an inverted pyramid writing style. This means that the most important points appear in the first paragraph. The subsequent paragraphs contain less important points. Writers often include quotes in press releases, but they do not need to appear in the first paragraph. The use of humor depends on the topic at hand, and is often inappropriate to use at all. Depending on the publications' formatting specifications, the writer should place the contact information at the top or at bottom of the press release, but not within the article.

SOURCE: PR:057

SOURCE: Donnelly, T. (2010, September 3). *How to write a press release*. Retrieved December 14, 2012, from <http://www.inc.com/guides/2010/09/how-to-write-a-press-release.html>

90. C

14. When planning events, it is important to ensure that the venue has adequate staff on hand to serve guests. To determine the number of employees that the country club needs to work during the wedding reception, first divide the total number of guests by the number of guests per foodservice server ($300/30 = 10$). Then, determine the number of bartenders by dividing the total number of guests by the number of guests per bartender ($300/75 = 4$). Finally, add together the number of foodservice servers needed and the number of bartenders needed ($10 + 4 = 14$).

SOURCE: PR:360

SOURCE: Van Der Wagon, L. & Carlos, B.R. (2005). *Event management: For tourism, cultural, business, and sporting events* (p. 274). Upper Saddle River, NJ: Pearson Education.

91. A

Exhibits its products at trade shows frequently. Many hospitality businesses exhibit at trade shows on a regular basis. Portable displays are ideal for these businesses because they are simple to put up, change, and taken down and are easy to transport and store. The cost to develop a portable display might be a large, upfront expense for the business, but it often is worth the money if the business uses the display frequently. The travel theme and distribution method of services are not primary considerations when using a portable display. Publicity is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual that benefits from or is harmed by it.

SOURCE: PR:026

SOURCE: Pegler, M.M. (2006). *Visual merchandising and display* (5th ed.) [pp. 331-334]. New York: Fairchild Publications, Inc.

92. B

Click-through rate. The click-through rate measures the number of times that web-site visitors click on an online advertisement that automatically transports the visitors to the advertiser's web site. Evaluating click-through rates of online ads helps businesses determine the effectiveness of the ad. If the click-through rate for an ad on a particular web site is poor, the hotel chain may decide to stop advertising on the web site and place an advertisement elsewhere. The gross page impressions metric measures the web site's total traffic volume. If the hotel chain wants to determine the advertisement's price on a per click-through basis, it would use the cost per click metric. The transactions per hour metric measures the number of sales transactions that occur in a 60-minute timeframe.

SOURCE: PR:335

SOURCE: Davis, J. (2007). *Measuring marketing: 103 key metrics every marketer needs* (pp. 222-223). Hoboken, NJ: John Wiley & Sons.

93. C
Sales promotion. Sales promotion consists of promotional activities other than advertising, personal selling, and publicity that stimulate customer purchases. Discounts, contests, rebates, and product samples are examples of sales-promotion activities. In the example, the campground offers a discount to current campers to encourage them to extend their stay, thereby reducing the campground's potential revenue losses for unoccupied campsites. Personal selling is the form of promotion that determines the client's needs and wants and responds through planned, personalized communication that influences purchasing decisions and enhances future business opportunities. Publicity is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual that benefits from or is harmed by it. Advertising is any paid form of nonpersonal presentation of ideas, images, goods, or services.
SOURCE: PR:121
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [pp. 374-376]. Upper Saddle River, NJ: Prentice Hall.
94. B
A continuous-running video that features sites such Buckingham Palace and the Tower of London. Visual displays should relate to the product that the travel agency is promoting. In the example, the travel agency is promoting a tour of England. Showing a video that features England's tourist attractions (e.g., Buckingham Palace and the Tower of London) may stimulate interest in visiting England and encourage customers to book the tour. The Eiffel Tower and the Louvre Museum are in France, so it is unlikely that the travel agency would feature these sites in a display to promote a tour of England. A cardboard cutout of Mickey Mouse and Cinderella in front of the Magic Kingdom is an appropriate display item to promote a trip to Disneyland or Disney World. A travel agency would likely use a sombrero, beach towel, colorful balloons and a poster of a tropical beach resort in a display promoting travel to Mexico.
SOURCE: PR:162
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 388-389). Woodland Hills, CA: Glencoe/McGraw-Hill.
95. B
Suggestion selling. Suggestion selling is a sales technique in which the salesperson attempts to increase the customer's purchase by recommending additional items after the customer has decided to buy the primary product. In the example, Jack attempts to increase the check amount by suggesting that his customers buy dessert, which happens after they made (and consumed) their primary purchase decisions—their meals. Up-selling is a sales technique in which the salesperson suggests that the customer purchase a higher priced product rather than the one that the customer originally requests. Substitute selling involves offering the customer a similar product when his/her original product request is not available. Dessert is a want rather than a need.
SOURCE: SE:875
SOURCE: SE LAP 110—Up the Ante (Suggestion Selling)
96. A
The food and beverage division employs a five-star chef. When selling a venue, hotel salespeople should differentiate the venue by focusing on the attributes that make the venue unique and are important to the client (event planner). In the situation provided, the event is an awards banquet for members of the media. Because banquets involve food service, the hotel salesperson would want to tell the client that the hotel employs a five-star chef, which suggests that the chef prepares excellent food. Serving good food to members of the media might result in positive publicity for the hotel. The swimming pool, number of standard-size sleeping rooms, and the types of advertising media are not unique attributes that are likely to sell the venue to the client.
SOURCE: SE:046
SOURCE: McCollough, L. (n.d.). *Sell your venue's uniqueness*. Retrieved November 20, 2012, from http://www.acomonline.org/HotelExecutive2_9.06.pdf

97. C

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

SOURCE: SE:220

SOURCE: Silva, K.E. & Howard, D.M. (2006). *Hospitality & tourism* (pp. 37-38). Woodland Hills, CA: Glencoe/McGraw-Hill.

98. A

Guided tour of historical battlefields and museums. When making travel recommendations, travel agents often consider their clients' personal interests. Because Mr. and Mrs. Wingate have hobbies that focus on history, a guided tour of historical battlefields and museums is a logical travel recommendation to give the couple. Although Mr. and Mrs. Wingate might enjoy a cruise, African safari, or a stay at an exclusive resort, there is not enough information provided to determine if these options will appeal to them.

SOURCE: SE:221

SOURCE: Manning, G.L., Reece, B.L., & Ahearne, M. (2010). *Selling today: Creating customer value* (11th ed.) [pp. 246-247]. Upper Saddle River, NJ: Prentice Hall.

99. C

Gift certificates. Gift-certificate/card sales are an important source of revenue for many types of hospitality businesses. Consumers like to purchase gift certificates/cards for others because the gift recipients can book a reservation where and when they want it, which provides them with flexibility. Hotel chains do not sell reward points, contest passes, or keyless cards.

SOURCE: SE:479

SOURCE: Hyatt Corporation. (2007-2012). *Hyatt gift cards and certificates*. Retrieved November 29, 2012, from <https://www.certificates.hyatt.com/>

100. D

\$28.83. To determine the amount of money that the customer owes for her/his purchase, first divide the cost of the second t-shirt in half to obtain the discounted dollar amount of the second t-shirt ($\$18/2 = \9). Then add the cost of the second t-shirt to the cost of the first t-shirt to get the subtotal before tax ($\$9 + \$18 = \$27$). Next, calculate the tax amount in dollars by multiplying the subtotal by the tax percentage rate ($\$27 \times .0675$ or $6.75\% = \$1.8225$ or $\$1.83$). Finally, add the subtotal and the tax dollar amount to obtain the amount of money that the customer owes for his/her purchase ($\$27 + \$1.83 = \$28.83$).

SOURCE: SE:149

SOURCE: Burton, S., & Shelton, N. (2005). *Practical math applications* (2nd ed.) [p. 261]. Mason, OH: South-Western Cengage Learning.