



SAMPLE EXAM

BUSINESS ADMINISTRATION CORE

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

PRINCIPLES OF BUSINESS MANAGEMENT AND ADMINISTRATION **PBM**

PRINCIPLES OF FINANCE **PFN**

PRINCIPLES OF HOSPITALITY AND TOURISM **PHT**

PRINCIPLES OF MARKETING **PMK**

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

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1. A business owned by two or more persons who have unlimited liability is called a
 - A. sole proprietorship.
 - B. corporation.
 - C. cooperative.
 - D. general partnership.

2. Which of the following statements contains the most relevant information to include in a business report about the specific market share of computer manufacturers during a particular time frame:
 - A. Apple Computers held the fifth highest share of the computer market in 2014.
 - B. In 2014, Hewlett-Packard shipped more computers than Dell or Apple.
 - C. Hewlett-Packard, Dell, Lenovo, Toshiba, and Apple sold more computers in 2014 than other computer manufacturers.
 - D. In 2014, Hewlett-Packard held 27.6 percent of the market share, followed by Dell, which held 24.3 percent.

3. The best way for Melissa to determine if her company will pay the tuition for the class that she is taking at the community college is by
 - A. asking her college counselor.
 - B. reading the employee handbook.
 - C. reviewing the production schedule.
 - D. submitting a formal proposal.

4. Chad's friend wrote down instructions for him to change the oil in his car. Chad makes sure he follows the direction to put something for catching the oil in place first, so it doesn't spill everywhere. Which of the following steps for following directions does this situation illustrate:
 - A. Accept responsibility
 - B. Ask
 - C. Note key words
 - D. Go in order

5. Which of the following is a component of verbal communication between individuals:
 - A. Eye contact
 - B. Body posture
 - C. Facial expression
 - D. Listening

6. "This is an exciting new opportunity for you," says Jane's boss. Which of the following nonverbal cues would appropriately reinforce that message?
 - A. Focusing eyes on the computer
 - B. Slouching
 - C. Smiling
 - D. Looking out the window

7. What communication style is most appropriate to use when you are providing a friend with personal advice?
 - A. Formal
 - B. Empathic
 - C. Judgmental
 - D. Businesslike

8. Businesspeople are more likely to accept a new idea if the idea will
 - A. require additional resources.
 - B. improve a situation.
 - C. impact the economy.
 - D. involve a lot of risk.

9. What should you do if you phone an important customer and the customer indicates that you have called at a bad time?
- Explain that the call will be short.
 - Try to continue the conversation.
 - Ask the customer to call you back.
 - Offer to schedule a second call.
10. To contribute to a discussion in a useful way, you should avoid
- paying attention when others are speaking.
 - stating opinions and stick to the facts.
 - talking about what's on your mind.
 - blurting out statements without thinking.
11. What is a key to effective note-taking?
- Capturing details
 - Active listening
 - Creative thinking
 - Using an outline
12. Yvonne wants to create a visual aid that will easily show how her company budget is divided among three departments. Which visual aid should she use?
- An area graph
 - A bar graph
 - A line graph
 - A pie chart
13. Written communication is not effective when readers must
- find the information they need within the communication.
 - follow the writer's logical train of thought.
 - work to understand what the communication means.
 - spend a minimum amount of time reading the communication.
14. The following information appears at the end of all of Molly's outgoing emails: Molly S. Glenn; Assistant Manager; The Creekside Café; 4422 Clear Creek Road, Danville, TN 44882; (774) 555-2047; msglenn@creeksidecafe.com. This information is Molly's email
- signature.
 - attachment.
 - carbon copy.
 - etiquette.
15. A business letter that has easy-to-understand information is said to possess
- consensus.
 - caution.
 - courtesy.
 - clarity.
16. Letters of inquiry that businesses write to other businesses are routine business communication and usually contain only
- technical explanations.
 - complex instructions.
 - confidential data.
 - basic information.

17. During a staff meeting, Lindsay started to ask Tom a question while he was presenting his report. What did Lindsay do wrong?
- A. She used distracting gestures.
 - B. She expressed an opinion.
 - C. She interrupted the speaker.
 - D. She strayed from the topic at hand.
18. Using a pleasant tone of voice with customers is especially important when
- A. the customer is in a good mood.
 - B. trying to sell a new product.
 - C. delivering bad news.
 - D. the employee is being observed by a supervisor.
19. Employees' explaining the proper way to use a particular product to a customer who is interested in buying the item is an example of handling a customer
- A. protest.
 - B. complaint.
 - C. objection.
 - D. inquiry.
20. What are businesspeople who fail to adapt their communication styles to appeal to their international clients likely to do?
- A. Persuade the clients to buy
 - B. Earn the clients' trust
 - C. Impress the clients
 - D. Offend the clients
21. What type of business policy is most likely to attract customers to the business?
- A. Delivery
 - B. Credit
 - C. Return
 - D. Product
22. Which of the following would be classified as a service complaint:
- A. Empathetic behavior
 - B. Wrong size
 - C. Defective product
 - D. Late delivery
23. The easiest way to learn your company's brand promise is to
- A. talk to your coworkers.
 - B. make an educated guess.
 - C. look on the website.
 - D. ask your manager or supervisor.
24. What is a characteristic that applies only to economic services?
- A. Intangible
 - B. Physical
 - C. Scarce
 - D. Useful
25. Which of the following are capital goods:
- A. Roads, airplanes, and water
 - B. Equipment, land, and minerals
 - C. Buildings, roads, and equipment
 - D. Airplanes, minerals, and buildings

26. The quantity of a good or service that producers are able and willing to offer for sale at a specified price in a given period of time is
- A. quantity sold.
 - B. supply.
 - C. demand.
 - D. quantity demanded.
27. As prices go down, the quantity that producers are willing to supply generally
- A. decreases.
 - B. increases.
 - C. stays the same.
 - D. creates an excess.
28. Businesses that carry a considerable assortment of goods but in only one or a few related product lines are _____ businesses.
- A. service
 - B. discount
 - C. limited-line
 - D. specialty
29. Which of the following is an uninsurable risk:
- A. Damage to business facilities
 - B. Public liability
 - C. Changes in customer buying habits
 - D. Personal injury
30. In a private enterprise economic system, who normally decides what goods will be produced and what prices will be charged for them?
- A. Government and businesses
 - B. Consumers
 - C. Businesses
 - D. Businesses and consumers
31. Which of the following agencies prohibits false or misleading advertising:
- A. Department of Agriculture
 - B. Legal Aid
 - C. Federal Trade Commission
 - D. Food and Drug Administration
32. Which of the following is true of emotional intelligence:
- A. It means you're an emotional person.
 - B. It helps you manage your emotions.
 - C. It's also known as "book smarts."
 - D. It's not a good predictor of future success.
33. When your level of self-esteem is low, this causes you to have
- A. appreciation of life.
 - B. difficulty with visualization.
 - C. confidence in your ability.
 - D. doubts about yourself.
34. Assessing your personal strengths and weaknesses in an objective way involves
- A. comparing your attributes with others' skills and talents.
 - B. basing a strength or weakness on one isolated incident.
 - C. looking for behavior patterns that occur regularly over time.
 - D. working to improve most of your weaknesses at one time.

35. A personal characteristic expressed by a consistent pattern of behavior is called a personal
- trait.
 - asset.
 - image.
 - feature.
36. Altering personal behavior in order to show enthusiasm requires discipline and
- empathy.
 - expense.
 - practice.
 - leadership.
37. When their regular duties have been completed, employees with initiative look for
- easy jobs.
 - enjoyable reading.
 - pleasant tasks.
 - additional work.
38. Businesses prefer to hire honest workers because they will
- say whatever they think.
 - know how to do their jobs.
 - not cause any problems.
 - not steal from the business.
39. Feeling empathy toward indecisive customers will help you to
- be patient while customers decide.
 - improve the decision-making process.
 - handle more customers per day.
 - make decisions for the customers.
40. When having a business conversation with a person who has some difficulty understanding English, it is important to
- speak slower than you normally would.
 - speak louder than you normally would.
 - ask to speak to someone else in the company.
 - not discuss important business.
41. When the company president finished his speech complimenting the staff on their work and promising raises and bonuses, the staff members rose to their feet and applauded him. The staff members were expressing their approval through
- inappropriate behavior.
 - sign language.
 - animated conversation.
 - nonverbal communication.
42. Which of the following is a barrier to assertive behavior for some people:
- They think people will call them negative.
 - They like to handle conflicts and disagreements.
 - They are afraid of damaging their relationships.
 - They believe they have control over their behavior.

43. Tim thought his manager told him to have the sales report done by 2:00 on Thursday, but his manager actually wanted the report by noon on Tuesday. When the report was not ready on Tuesday, Tim's manager became irritated with him. What was the reason for the disagreement or conflict?
- A. Limited resources
 - B. Miscommunication
 - C. Authority struggles
 - D. Inconsistent opinions
44. Determine if the following statement is true or false: In effective work teams, every team member takes on a leadership role.
- A. False. Team members need the direction and guidance of a single person with broad knowledge and insight.
 - B. True. Because every team member is expected to set individual team goals, all members are leaders.
 - C. True. Because every team member contributes unique skills and talents, each person has the potential to lead the team in different ways.
 - D. False. A team leader is necessary because s/he is responsible for establishing the team's goals and monitoring the workload.
45. Which of the following is a reason why someone might have trouble adapting to new circumstances:
- A. Missed opportunities
 - B. Objectivity
 - C. Contentment
 - D. Empathy
46. Rachael works in the constantly changing fashion industry. Shifting trends have caused her to rethink what she's expecting from her work team. Which tip for smart goal setting is Rachael following?
- A. Tying goals to a timetable
 - B. Making goals difficult but possible
 - C. Making goals specific
 - D. Regularly reviewing and revising goals
47. Most change failures occur because there is a lack of
- A. commitment.
 - B. resistance.
 - C. trust.
 - D. communication.
48. When enlisting others in working toward a shared vision, being a good listener means that you are
- A. aware of your surroundings at all times.
 - B. responsible only to your managers.
 - C. reluctant to solicit feedback.
 - D. not required to get to know team members.
49. What is one of a coach's most important tasks?
- A. Being honest
 - B. Caring for others
 - C. Accepting change
 - D. Giving feedback
50. Which of the following is a benefit to the business of effective human relations:
- A. Decreased employee morale
 - B. Decreased customer loyalty
 - C. Increased productivity
 - D. Increased absenteeism

51. Which of the following is an example of legal tender issued by the federal government:
- A. Municipal bonds
 - B. Corporate bonds
 - C. Mutual funds
 - D. Bank notes
52. What federal law must businesses follow when they offer revolving charge accounts and send customers updated statements showing the status of their accounts?
- A. Fair and Accurate Credit Transactions Act
 - B. Equal Credit Opportunity Act
 - C. Fair Credit Billing Act
 - D. Truth-in-Lending Act
53. Martin keeps money in a special savings account to cover his living expenses for three months in case he loses his job or gets sick and can't work. Martin has set up a(n)
- A. emergency fund.
 - B. education plan.
 - C. retirement account.
 - D. insurance policy.
54. When Jeremy develops his personal budget, he should categorize the money that he spends on food, clothing, and entertainment as
- A. fixed costs.
 - B. variable expenses.
 - C. relational outflows.
 - D. periodic investments.
55. When Jane received her first paycheck from her part-time job, she was surprised to see the amount was much less than her \$8.00 per hour pay rate multiplied by the number of hours she worked. Jane had not planned on _____ tax being taken out of her paycheck.
- A. excise
 - B. property
 - C. sales
 - D. income
56. Which of the following is an important type of financial record that individuals should maintain in order to manage their finances:
- A. Cashier's check
 - B. Insurance policy
 - C. Product warranty
 - D. Travel report
57. Which of the following is the most effective way to avoid excessive credit card debt:
- A. Choose a credit card with a high limit
 - B. Pay off low-interest credit cards first
 - C. Pay off your balance each month
 - D. Use credit card cash advances to pay debt
58. What is one thing you can do to protect yourself from becoming a victim of identity theft?
- A. Place your Social Security number or your social insurance number on all documents.
 - B. Use unusual passwords rather than your birth date to access your bank accounts.
 - C. Keep your passport with you at all times.
 - D. Always pay with cash rather than credit cards or check.

59. Which of the following is an advantage of investing in bonds:
- A. You can access your money any time.
 - B. They are very low risk.
 - C. They are insured by the FDIC.
 - D. They offer extremely high rates of return.
60. How do businesses transfer risk?
- A. Obtain insurance
 - B. Implement security measures
 - C. Check for hazards
 - D. Screen employees
61. Which of the following is a type of financial statement that accountants prepare for a business:
- A. Credit card statement
 - B. Sales invoice
 - C. Balance sheet
 - D. Bank-deposit slip
62. The process of keeping the financial records of a business is known as
- A. controlling.
 - B. accounting.
 - C. financing.
 - D. bookkeeping.
63. Which of the following is a measure of how well a business generates cash flow:
- A. Accounts payable
 - B. Accounts receivable
 - C. Capital structure
 - D. Return on capital
64. A human resources manager is reviewing job applications for a marketing position to select which candidates to call for an interview. What process is the human resources manager performing?
- A. Negotiating
 - B. On-boarding
 - C. Prospecting
 - D. Screening
65. To succeed in business, managers must base their decisions on the
- A. services offered by competitors.
 - B. projected sales.
 - C. goals of the company.
 - D. needs and desires of consumers.
66. Which of the following is an example of factual information:
- A. Last quarter, sales increased by 12%.
 - B. I believe that the product is defective.
 - C. It seems that we have a problem.
 - D. Kerry and Dean are the nicest managers.
67. Nelson needs to find out the exact model number of a printer to order the correct ink cartridge for a customer. To obtain accurate information quickly, Nelson should access
- A. the manufacturer's accounting department.
 - B. his company's intranet.
 - C. his company's contact directory.
 - D. the manufacturer's production manager.

68. Chloe recently took over the family business so that her parents could retire. While reorganizing her dad's desk so that she could use it, Chloe found several 5.25-inch floppy disks. She'd like to find out what is stored on each disk, but she doesn't have a computer with a floppy disk drive. She can't access the data on the disks because floppy disks have become
- decentralized.
 - destructive.
 - networked.
 - obsolete.
69. Monique, an office manager, used to organize hard copies of important documents in filing cabinets that took up an entire room. Now, she stores documents on her office computer, where they're easy to access and organize. Monique now uses
- Internet telephony.
 - a database.
 - an expert system.
 - computer automation.
70. Payroll, hotel reservations, and sales orders are handled by a(n) _____ type of information system.
- knowledge work system
 - transaction processing system
 - decision support system
 - executive support system
71. The set of computer programs that manages the hardware and software of a computer is the
- electronic resource.
 - digital connection.
 - transfer protocol.
 - operating system.
72. William is thinking about getting a new smartphone, so he logged on to a well known website to read others' opinions and experiences with different types of smartphones that are currently on the market. William is reading Internet product reviews to
- make an informed buying decision.
 - compare the prices of smartphones from various online stores.
 - determine which company has the best phone plan.
 - reaffirm his recent purchasing selection.
73. Chad needs to email sales data to both Ken and Sherri, but he doesn't want Ken to know that Sherri is also receiving the message. What email function should Chad use to send the email to Sherri?
- Autoresponder
 - Carbon copy
 - Attachment
 - Blind carbon copy
74. Which of the following allows a computer to search and access information on the Internet:
- Folder
 - Browser
 - Cookie
 - Anchor
75. Which of the following is a capability of a presentation software program:
- Calculating mathematical data
 - Copying and printing documents
 - Connecting several computers
 - Combining animation and sound

76. Which of the following is an example of employees using groupware computer applications:
- A. Dan, Kara, and Simon review their departments' budgets, which are saved as different computer-spreadsheets files.
 - B. Craig, Tessa, and Lily use presentation software to guide a group discussion about their research project.
 - C. Kelli, Juan, and Phil can access and make changes to the company production schedule from their home computers.
 - D. Michelle, Jeff, and Aubrey use the same desktop-publishing program to create advertisements and brochures for their companies.
77. Operations managers have two main goals. One of these goals is efficiency (keeping costs low). What is the other goal?
- A. Productivity (keeping business running continuously)
 - B. Legality (keeping the business in good standing with the law)
 - C. Effectiveness (keeping customers satisfied)
 - D. Reputation (keeping up the business's good name)
78. Last year, several of Readmore Bookstore's employees hurt their backs while lifting heavy boxes. As a result, the bookstore is re-teaching its workers how to lift heavy boxes of books safely. What type of control is the business using to protect its employees' health and safety?
- A. Personal protective equipment
 - B. Engineering control
 - C. Administrative control
 - D. Work-practice control
79. By using a software program that prevents employees from forwarding documents over the Internet, advertising agencies are able to
- A. stop an incoming virus.
 - B. track employees' email.
 - C. maintain data security.
 - D. control internal communication.
80. What should businesses do to help employees follow instructions for the use of equipment and machinery?
- A. Install sprinkler system
 - B. Display first aid posters
 - C. Provide training
 - D. Require hand washing
81. The Occupational Safety and Health Administration (OSHA) was created specifically to
- A. protect employees in the workplace.
 - B. regulate commerce in the U.S.
 - C. oversee the armed forces.
 - D. provide pensions to retired workers.
82. Which of the following is an example of a workplace emergency situation that all employees should know how to handle and report:
- A. Civil disorder
 - B. Bomb threat
 - C. Check fraud
 - D. Identity theft
83. How can an individual employee help protect company information on a daily basis?
- A. Transfer files from a home computer to a work computer
 - B. Store log-in information in a desk drawer at work
 - C. Check personal email on a work computer
 - D. Log out of his/her computer when leaving work

84. Large, nationwide retail chains often use which of the following types of buying systems:
- A. Decentralized
 - B. Standardized
 - C. Centralized
 - D. Specialized
85. A business that places orders after reviewing written quotes provided by several suppliers is using the _____ buying method.
- A. lowest-price
 - B. blank-check
 - C. competitive-bid
 - D. standard-markup
86. Which of the following is true of maintaining an inventory of supplies:
- A. All employees should order supplies when they need them.
 - B. Using proper, approved inventory processes helps to ensure that you won't run out of supplies.
 - C. Supplies only need to be ordered once per year.
 - D. Conducting an inventory of supplies increases the chance of theft.
87. Which of the following would contribute to personal appearance by maintaining good physical health:
- A. Exercise, diet, and sleep
 - B. Positive thinking and hobbies
 - C. Vacations and recreation
 - D. Education, training, and study
88. A company gets ideas by reading trade publications and attending trade shows. What source of innovation is this company using?
- A. Demographics
 - B. Experience
 - C. Observations
 - D. Accidents
89. Insight or intuition plays a significant role in the decision you make if you
- A. are set on a particular result.
 - B. are comfortable with risk.
 - C. have encountered this option before.
 - D. have a gut feeling about one alternative.
90. Self-understanding has helped Susan to see that she doesn't do well in the classroom, but she has a lot of artistic skill. Which of the following would be a realistic educational goal for Susan:
- A. Studying the works of great artists
 - B. Attending a school of art and design
 - C. Completing graduate-level courses
 - D. Graduating from a four-year university
91. The Dewberry Company pays both its female employees and its male employees the same salary range for the same type of work. Dewberry is providing its employees with
- A. fair treatment.
 - B. a safe work environment.
 - C. the right to privacy.
 - D. the option to buy stock.

92. Which of the following is a source of career information that would best help people who are currently employed identify better paying careers that suit their skills:
- A. Career centers
 - B. Temporary employment agencies
 - C. School guidance offices
 - D. Occupational Outlook Handbook
93. Miguel always enjoyed designing and building bookshelves, tables, and storage cabinets for his family and friends in his spare time. Through word-of-mouth, others started to ask Miguel to build items for them. Requests for his services became so great that he decided to open his own woodworking business. Miguel decided to start his own business because of his
- A. desire for a flexible schedule.
 - B. passion for a hobby.
 - C. technological knowledge.
 - D. need for adventure.
94. Young people often locate their first jobs in the community by responding to businesses that have
- A. conducted professional searches.
 - B. hired employment agencies.
 - C. advertised in trade journals.
 - D. posted help-wanted signs.
95. Which of the following statements is true about completing job applications:
- A. Write clearly using a black or blue pen to present a professional appearance.
 - B. Use a pencil to fill out the application in case you make a mistake.
 - C. Leave blank spaces for information that you do not have readily available.
 - D. A résumé is not necessary if you are completing a job application.
96. The purpose for writing a letter of application is to introduce yourself and to
- A. explain your salary requirements.
 - B. express your interest in the job opening.
 - C. describe your résumé in detail.
 - D. schedule a time for an interview.
97. Which of the following are the best references to list in a résumé:
- A. Former employers
 - B. Family members
 - C. Coworkers
 - D. Classmates
98. One of the reasons why it is important for employees to continue their education throughout their careers is to be prepared for
- A. life after retirement.
 - B. jobs of the future.
 - C. adjustments in pay.
 - D. changes in lifestyle.
99. If an employee continuously fails to follow the firm's rules of conduct, the firm is likely to
- A. develop quotas.
 - B. promote the employee.
 - C. change its policies.
 - D. take disciplinary action.

100. Which management function is described in the following situation: Christy Chen determines the type of workers she needs, locates qualified applicants, selects those to be hired, and assigns the new hires to a work area.
- A. Controlling
 - B. Staffing
 - C. Directing
 - D. Planning

1. D
General partnership. The purpose of forming a partnership generally is to combine the capital, experience, and abilities of two or more people. A business owned by one person is called a sole proprietorship. A corporation is a form of business ownership in which a group of individuals is organized by a charter granted by the state. Corporation owners, or stockholders, have limited liability. A cooperative supplies goods and services to its user-owners.
SOURCE: BL:003
SOURCE: BL LAP 1—Own It Your Way (Types of Business Ownership)
2. D
In 2014, Hewlett-Packard held 27.6 percent of the market share, followed by Dell, which held 24.3 percent. This option provides the most detailed information about market share during a specific time frame because it provides specific percentage amounts in relation to one year. The ability to read information and extract the most important facts is an important skill to possess. Businesspeople often need to extract the most important content from various documents and articles to analyze reports, complete projects, and make business decisions.
SOURCE: CO:055
SOURCE: Schall, J. (n.d.). *Integrating source material*. Retrieved August 31, 2015, from https://www.e-education.psu.edu/styleforstudents/c5_p6.html
3. B
Reading the employee handbook. Employee handbooks provide information about the company's general policies and procedures, such as overtime and vacation policies, pay schedules, dress codes, behavioral expectations, and tuition reimbursement. Some companies will pay for a portion of their employees' college coursework if it applies to the employee's job. Asking a college counselor, reviewing the production schedule, and submitting a proposal are not ways to obtain information about her employer's tuition reimbursement policies.
SOURCE: CO:057
SOURCE: Dartmouth College. (2014). *Employee policies and procedures manual*. Retrieved May 13, 2014, from <http://www.dartmouth.edu/~hrs/policy/>
4. D
Go in order. When Chad puts something in place for catching the oil first, he is following his friend's directions in order. Good directions are listed in sequential order, or the order in which they need to occur. There is generally a good reason for the order, so follow it. If you skip around, you may miss one of the directions, which could result in quite a mess. In this situation, Chad is not asking questions, noting key words, or accepting responsibility.
SOURCE: CO:119
SOURCE: QS LAP 24—Simon Says
5. D
Listening. Listening involves not only hearing what the speaker is saying but making appropriate verbal responses. It is an essential component, or part, of verbal communication. Facial expressions, eye contact, and body posture are examples of nonverbal communication.
SOURCE: CO:147
SOURCE: Farese, L.S., Kimbrell, G., Woloszyk, C.A. (2012). *Marketing essentials* (pp. 192-193). Columbus, OH: Glencoe/McGraw-Hill.
6. C
Smiling. A smile conveys a positive message and reinforces good news. Poor posture sends the message that a person doesn't really care about what s/he is saying. Lack of eye contact sends a message that the speaker may not be telling the truth or may wish to be doing something else.
SOURCE: CO:059
SOURCE: Smith, J. (2013, March 11). *10 nonverbal cues that convey confidence at work*. Retrieved August 11, 2015, from <http://www.forbes.com/sites/jacquelynsmith/2013/03/11/10-nonverbal-cues-that-convey-confidence-at-work/>.

7. B

Empathic. Being empathic is acting according to an intellectual identification with the thoughts, feelings, values, attitudes, and/or actions of another person. It is often helpful to imagine yourself in your friend's place, to try to understand how s/he feels. By doing so, you often gain insight and can better help your friend by providing thoughtful advice. If you are too formal, judgmental, or businesslike with a friend, you may come across as uncaring, and you may offend your friend.

SOURCE: CO:084

SOURCE: Miculka, J. (2007). *Speaking for success* (2nd ed.) [pp. 39-40]. Mason, OH: Thomson South-Western.

8. B

Improve a situation. To get others to accept your idea, you must indicate how the idea will improve a situation or provide a benefit. Feasible business ideas might include improvements such as increasing profits, efficiency, sales, and market share. Feasible ideas may or may not impact the economy, involve a lot of risk, or require additional resources. Businesspeople are more likely to scrutinize and want supporting evidence for ideas that require additional resources or involve high risk taking, which could make acceptance more challenging.

SOURCE: CO:061

SOURCE: Baumgartner, J. (2013). *How to evaluate ideas*. Retrieved August 10, 2015, from <http://www.innovationmanagement.se/imtool-articles/how-to-evaluate-ideas>

9. D

Offer to schedule a second call. In some situations, you will call an important customer at a time when the customer is busy or in a hurry and is unable to speak to you. Then, it is appropriate to offer to schedule a second call at a time that will be convenient for the customer. You should not try to continue the conversation or explain that the call will be short if the customer indicates that this is a bad time. It is your responsibility to return the call rather than ask the customer to call you.

SOURCE: CO:114

SOURCE: Brooks, M. (2015). *Four ways to handle the "I'm too busy" brush off*. Retrieved August 28, 2015, from <http://www.nasp.com/article/1834F370-885A/four-ways-to-handle-the-i-m-too-busy-brush-off.html>

10. D

Blurting out statements without thinking. To contribute to a discussion in a useful way, you should think about what you want to say before speaking. Make sure that you state accurate information facts and that you don't say something in a way that is offensive to others. You should communicate facts and express opinions when appropriate. You should talk about what's on your mind. And, you should pay attention when others are speaking.

SOURCE: CO:053

SOURCE: QS LAP 29—Put In Your Two Cents

11. B

Active listening. To take meaningful notes, you must listen to what the speaker is saying. To pick up on the key points, you must actively listen. Effective note-taking does not involve capturing every detail of the presentation, nor does it involve the use of creative thinking techniques. And although it may be helpful for some individuals, effective notes do not need to be formatted as an outline.

SOURCE: CO:085

SOURCE: Dartmouth Academic Skills Center. (2014). *Classes: Note-taking, listening, participation*. Retrieved August 31, 2015, from <http://www.dartmouth.edu/~acskills/success/notes.html>

12. D

A pie chart. If Yvonne wants to show how her company budget is divided among three departments, she should use a pie chart. Pie charts are often used when comparing parts of a whole. Bar graphs are used to show changes over time or to compare figures between different groups. Line graphs show changes over short and long time periods. Area graphs, much like line graphs, are often used to show changes over time. Area graphs can show one or more groups.

SOURCE: CO:087

SOURCE: National Center for Education Statistics. (2013). *How do I choose which type of graph to use?* Retrieved August 31, 2015, from http://nces.ed.gov/nceskids/help/user_guide/graph/whentouse.asp

13. C

Work to understand what the communication means. Effective written communication presents information in a clear, easy-to-read style so that readers do not have to try to figure out what the communication is all about. Readers should be able to grasp the communication's message in a minimum amount of reading time. Written communication should follow a logical train of thought, and readers should be able to find the information they need within the communication.

SOURCE: CO:016

SOURCE: Jackson, K. (1996-2015). *Writing skills*. Retrieved August 28, 2015, from <http://www.mindtools.com/CommSkill/WritingSkills.htm>

14. A

Signature. Text appearing at the bottom of an email that indicates a person's or business's identity and contact information is known as the email signature. Many businesses require their employees to include a signature identifying themselves and their contact information in all of their outgoing email. An email attachment is a computer file that is sent with an email message. An email carbon copy is a duplicate of an email that is sent to someone else in addition to the primary recipient(s) of the message. Email etiquette refers to a set of rules specifying how to behave and conduct oneself when writing and/or replying to emails.

SOURCE: CO:090

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 190). Woodland Hills, CA: Glencoe/McGraw-Hill.

15. D

Clarity. Communication that is expressed clearly is described as having clarity. Caution is carefully stating a point in order to avoid conflict or misunderstanding. Courtesy involves the use of tact and consideration, while consensus is group opinion.

SOURCE: CO:133

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 156-157]. Upper Saddle River, NJ: Pearson Prentice Hall.

16. D

Basic information. Businesses often write letters of inquiry to other businesses to request information and literature or to order goods or services. These types of letters are routine and should contain only the information the receiver needs in order to respond. It is not necessary to provide complex instructions or technical explanations when writing routine letters. Letters of inquiry usually do not contain confidential data because they are making requests rather than providing information.

SOURCE: CO:040

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 225-226]. Upper Saddle River, NJ: Pearson Prentice Hall.

17. C

She interrupted the speaker. Because it is rude to interrupt another person while s/he is speaking, Lindsay should have waited until Tom was finished speaking before asking a question. In many meetings, the leader or speaker will ask the participants if they have questions, so it would be appropriate to ask for clarification at that time. There is not enough information provided to determine if Lindsay expressed an opinion, asked a question irrelevant to the topic at hand, or used distracting gestures.

SOURCE: CO:063

SOURCE: Lehman, C.M. & Dunfrene, D.D. (2011). *Business communication* (16th ed.) [pp. 55-56]. Mason, OH: South-Western Cengage Learning

18. C

Delivering bad news. Using a pleasant tone of voice with customers is especially important when delivering bad news. A pleasant tone of voice can help keep the entire situation calm. Employees should always endeavor to use a pleasant tone of voice with customers; however, it is not necessarily more important when trying to sell a new product, when the customer is in a good mood, or when the employee is being observed by a supervisor.

SOURCE: CR:004

SOURCE: CR LAP 4—Set Your Mind to It (Customer-Service Mindset)

19. D

Inquiry. Customers often have questions about the proper use of certain products. Salespeople should possess adequate product knowledge in order to handle customers' inquiries. Salespeople who have the information to answer questions and explain how products are used often are able to sell those products to customers. An objection is a customer's reason for not buying. A complaint or protest is a customer's expression of dissatisfaction.

SOURCE: CR:006

SOURCE: Alesto, J. (2008, December 7). *Inbound call handling centers-How they handle customer inquiries and complaints*. Retrieved August 31, 2015, from <http://ezinearticles.com/?Inbound-Call-Handling-Centers—How-They-Handle-Customer-Inquiries-and-Complaints&id=1765658>

20. D

Offend the clients. Businesspeople should try to learn as much as they can about a client's culture, customs, and social values. By understanding and being aware of cultural differences, businesspeople can adapt their communication styles to make a positive impression on their clients, earn their clients' trust, and persuade their clients to buy. Businesspeople who adapt their communication styles are aware of actions that a particular client might view as hospitable, as well as behaviors that the client might find offensive. Offensive behaviors can hinder the ability to build long-term relationships with international clients.

SOURCE: CR:019

SOURCE: InterNations.org. (2007-2013). *International business communication*. Retrieved August 31, 2015, from <http://www.internations.org/magazine/international-business-issues-15385/international-business-communication-2>

21. D

Product. The product policy determines which products the business will offer. These products act as "drawing cards" that attract customers. Credit policies control the use of payment plans that allow customers to purchase now and pay later. Service policies provide special features to encourage customers to select one business over another. Return and delivery are types of service policies.

SOURCE: CR:007

SOURCE: Rue, L.W., & Byars, L.L. (2006). *Business management: Real-world applications and connections* (pp. 241-242). Woodland Hills, CA: Glencoe/McGraw Hill.

22. D
Late delivery. The quality of service provided to customers can result in complaints. For example, customers will complain when deliveries are late. A defective item or incorrect size are product complaints. Empathetic behavior should result in customer satisfaction rather than in customer complaints.
SOURCE: CR:010
SOURCE: CR LAP 10—Righting Wrongs (Handling Customer Complaints)
23. D
Ask your manager or supervisor. The easiest way to learn your company's brand promise is to ask your manager or supervisor. S/He should know! If s/he doesn't, perhaps you can figure it out together. An educated guess, the website, and coworkers aren't as reliable as your manager should be.
SOURCE: CR:001
SOURCE: CR LAP 6—Share the Promise (Identifying Brand Promise)
24. A
Intangible. The major characteristics of economic services are very similar to those of economic goods. They must be useful, scarce, and transferable. However, services are not physical objects. They are intangible activities performed by other people for a certain amount of money. Intangible means not capable of being detected through the senses. Useful and scarce are characteristics of both economic goods and services. Physical is a characteristic of economic goods.
SOURCE: EC:002
SOURCE: EC LAP 10—Get the Goods on Goods and Services (Economic Goods and Services)
25. C
Buildings, roads, and equipment. Capital goods are manufactured or constructed items that are used to produce goods and services and are provided by people. Examples of capital goods are buildings, roads, equipment, and airplanes. These items are capital goods because they enable producers to operate businesses and to make goods available to customers. Land, minerals, and water are natural resources. Natural resources are items that are found in nature and used to produce goods and services.
SOURCE: EC:003
SOURCE: Burrow, J.L. (2006). *Marketing: Instructor's wraparound edition* (2nd ed.) [pp. 273, 275]. Mason, OH: Thomson/South-Western.
26. B
Supply. Supply is the quantity of a good or service that producers are able and willing to offer for sale at a specified price in a given period of time. Demand is the quantity of a good or service that consumers are ready to buy at a given price at a particular time. Supply is not the same as quantity sold or quantity demanded.
SOURCE: EC:005
SOURCE: EC LAP 11—It's the Law (Supply and Demand)
27. A
Decreases. When prices go down, consumers will buy more, but producers will produce less because of the certainty of decreased profits. This process eliminates excess supply. The quantity that producers are willing to supply does not increase or stay the same as the prices decrease.
SOURCE: EC:006
SOURCE: EC LAP 12—When More Is Less (Functions of Price)
28. C
Limited-line. Limited-line businesses specialize in the products that they offer for sale. They usually carry an excellent assortment of those goods. Service businesses perform intangible activities that satisfy the wants of consumers or industrial users. Specialty businesses typically carry a very limited variety of products. Discount businesses sell products at reduced prices and usually carry a variety of items.
SOURCE: EC:070
SOURCE: EC LAP 70—Business Connections (Business and Society)

29. C

Changes in customer buying habits. Uninsurable risks are those risks that insurance companies cannot or will not cover. Examples include obsolescence of products, shifts in consumer demand, and changes in laws. Personal injury, public liability, and damage to business facilities are considered insurable risks.

SOURCE: EC:011

SOURCE: EC LAP 3—Lose, Win, or Draw (Business Risk)

30. D

Businesses and consumers. In a private enterprise economy, all of the buyers and sellers play an important role in controlling the economy. They interact with each other in the marketplace to determine what products will be produced and what prices will be charged for those products. In some countries, the national government controls the economy.

SOURCE: EC:012

SOURCE: EC LAP 8—Ready, Set, Compete! (Competition)

31. C

Federal Trade Commission. The Federal Trade Commission (FTC) is a government regulatory agency that administers and enforces antitrust laws to prevent price fixing and unfair competitive practices, and to regulate false or deceptive advertising. The Food and Drug Administration protects consumers from impure, improperly labeled, and unhealthful food, drugs, and cosmetics. The Department of Agriculture is responsible for inspection of meat, butter, and eggs in interstate commerce. Legal Aid provides legal counsel for those unable to pay for such service.

SOURCE: EC:008

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 129, 666-667). New York: Glencoe/McGraw-Hill.

32. B

It helps you manage your emotions. Emotional intelligence is the ability to recognize and manage emotions in yourself and others. It doesn't have anything to do with being an emotional person—a person who cries easily and one who never shows his/her emotions can have the same level of emotional intelligence. "Book smarts" aren't the same as emotional intelligence—the term is typically used to describe IQ, or a person's cognitive ability. Many people feel that emotional intelligence may actually be the best predictor of success in life. A person with emotional intelligence has many of the characteristics necessary for success, like problem solving skills, flexibility, and the ability to get along with others.

SOURCE: EI:001

SOURCE: EI LAP 6—EQ and You (Emotional Intelligence)

33. D

Doubts about yourself. When self-doubts are present, self-esteem has dropped. These doubts and your low level of self-esteem may keep you from having confidence in your own ability or an appreciation for life. A low level of self-esteem does not necessarily cause difficulty with visualization—the practice of imagining yourself in possession of a present or desired strength. Visualization is a method of overcoming low levels of self-esteem.

SOURCE: EI:016

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 197-198). New York: Glencoe/McGraw-Hill.

34. C
Looking for behavior patterns that occur regularly over time. By assessing your personal strengths and weaknesses, you can apply your talents where they are best used and select a career in which you are most likely to be successful. A successful assessment of your strengths and weaknesses requires being aware of your behavior patterns over time. By being aware of your behavior patterns, you can determine the things that you do well and things that you want to improve. When assessing your personal strengths and weaknesses, avoid making false generalizations about yourself, which is basing your idea of a personal strength or weakness on one isolated incident. And, because everyone is different, avoid comparing yourself to others. After identifying the weaknesses that you want to work on, try improving one weakness at a time. Taking on too many changes at once can be very frustrating.
SOURCE: EI:002
SOURCE: EI LAP 17—Assess for Success (Assessing Personal Strengths and Weaknesses)
35. A
Trait. There are three types of personal traits: physical, mental, and emotional. A particular trait may or may not be an asset. The term "feature" is used more commonly to refer to physical characteristics, as opposed to behavioral characteristics. A person's image is influenced by all of his/her personal traits.
SOURCE: EI:018
SOURCE: EI LAP 9—You've Got Personality (Personality Traits in Business)
36. C
Practice. Changing personal behavior requires an individual to have enough self-discipline to practice the new, improved behavior until it becomes routine. Leadership is taking positive steps to influence and to guide others. Empathy is the ability to put yourself in another person's place. There is no monetary cost, or expense, involved in altering behavior.
SOURCE: EI:020
SOURCE: EI LAP 3—Opt for Optimism
37. D
Additional work. Employees demonstrate initiative by looking for work that needs to be done—not just for things that happen to be easy, pleasant or enjoyable. In fact, activities such as reading may be met with disapproval.
SOURCE: EI:024
SOURCE: EI LAP 2—Hustle! (Taking Initiative at Work)
38. D
Not steal from the business. Businesses prefer to hire honest workers because they can trust them with their cash, supplies, and equipment. Being honest does not necessarily mean that these workers will know how to do their jobs or not cause any problems. Being honest does not mean saying whatever you think, which may cause problems for the business.
SOURCE: EI:022
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (p. 69). Tinley Park, IL: Goodheart-Willcox.
39. A
Be patient while customers decide. Being able to "put yourself in the shoes" of indecisive customers will help you to understand why they can't make up their minds. This will help you to be more patient with the customers until they can come to a decision. Employees should not make decisions for customers. Empathy will not help you to improve the decision-making process or to handle more customers.
SOURCE: EI:030
SOURCE: EI LAP 12—Have a Heart (Showing Empathy for Others)

40. A

Speak slower than you normally would. This will help the person you're speaking with translate your words in his/her mind. Speaking loudly does not help with translating. Remember that someone from another country does not necessarily have a hearing problem. Show cultural sensitivity by patiently working with persons who are not native English speakers. A language barrier does not mean s/he is not the right person with whom to do business. Important international and domestic business partnerships happen every day between persons whose native languages are different. It is not possible or smart to avoid doing business with persons for whom English is a second language.

SOURCE: EI:033

SOURCE: Ethnic Harvest. (2008). *Ten steps toward cultural sensitivity*. Retrieved August 31, 2015, from <http://www.ethnicarvest.org/ideas/10-steps.htm>

41. D

Nonverbal communication. Nonverbal communication is forms of communication that do not involve the use of words. It may include facial expression, body posture or movement, eye contact, and appearance. In this situation, the staff members are using body movements to express approval. This is not inappropriate behavior. The group is making an animated response, but it does not involve conversation or sign language, which is a formal kind of communication method using signs to represent letters and words.

SOURCE: EI:007

SOURCE: Lehman, C.M. & Dunfrene, D.D. (2011). *Business communication* (16th ed.) [pp. 47-56]. Mason, OH: South-Western Cengage Learning.

42. C

They are afraid of damaging their relationships. A barrier is anything that blocks the way or makes it more difficult to accomplish something. Insecure people are often afraid to be assertive because they are anxious about their interpersonal relationships. Assertive behavior is positive, not negative. Other barriers to assertiveness include disliking conflict of any kind and believing you have no control over your behavior.

SOURCE: EI:008

SOURCE: EI LAP 18—Assert Yourself (Assertiveness)

43. B

Miscommunication. Conflicts are disagreements. Disagreements happen for different reasons. Sometimes, it's a matter of miscommunication or misunderstanding. In the example, Tim thought he heard his manager say one day and time, when his manager actually said something else. Or, perhaps Tim's manager thought he told Tim that he wanted the report earlier than he originally requested, but really forgot to tell Tim. The disagreement did not occur because Tim had limited resources, because he questioned his manager's authority, or because each party held inconsistent opinions.

SOURCE: EI:015

SOURCE: EI LAP 7—Stop the Madness (Conflict Resolution in Business)

44. C

True. Because every team member contributes unique skills and talents, each person has the potential to lead the team in different ways. Teams differ from groups in a variety of ways. In teams, each member possesses different skills and knowledge to achieve goals that team members set together. Each team member takes on a leadership role in relation to his/her expertise and strengths to guide others and to complete various tasks to achieve the team's goals. In effective teams, every member shares accountability, collaborates with one another, and encourages objectivity and creativity. In groups, group members follow one leader who establishes the goals. Members work individually and are personally held accountable for their actions.

SOURCE: EI:045

SOURCE: QS LAP 6—Lean on Me (Teamwork)

45. C
Contentment. Being adaptable requires you to stretch, try new things, and get out of your comfort zone, which can be hard to do if you're content. Objectivity and empathy are characteristics of adaptable people; these traits make it easier for a person to adapt. Missed opportunities are a negative consequence of refusing to adapt.
SOURCE: EI:006
SOURCE: EI LAP 23—Go With the Flow (Demonstrating Adaptability)
46. D
Regularly reviewing and revising goals. Rachael is reviewing and revising her goals. As circumstances change, so will goals. Rachael is leaving room for doing this. In this scenario, Rachael is not setting difficult but possible goals, setting specific goals, or tying her goals to a timetable.
SOURCE: EI:027
SOURCE: EI LAP 10—High Hopes (Developing an Achievement Orientation)
47. D
Communication. When leading a change, communication is critical. Most change failures occur because there is a lack of communication. Although commitment and trust are also important parts of the change process, communication is the key. And even though resistance can be a good thing, it is not necessary to the change process.
SOURCE: EI:005
SOURCE: EI LAP 22—Start the Revolution (Leading Change)
48. A
Aware of your surroundings at all times. Being a good listener means being well aware of your surroundings at all times. What changes are taking place in the organization and in the industry in general? How might they affect the team vision or the goals you've set for reaching that vision? As a leader, you can't afford to get caught not paying attention. As a team leader, you are responsible to listen to your team and to your customers as well as to your managers. Being a good listener also means getting to know your team members and soliciting their feedback.
SOURCE: EI:060
SOURCE: EI LAP 60—Vision Quest (Enlisting Others in Vision)
49. D
Giving feedback. One of a coach's most important tasks is giving feedback. Coachees need to know what they did right, what they did wrong, and how they can improve. By giving feedback or evaluative information, coaches are able to help coachees improve their performance. Caring for others, accepting change, and being honest are characteristics of effective coaches rather than a coach's most important tasks.
SOURCE: EI:041
SOURCE: EI LAP 24—Bring Out the Best (Coaching Others)
50. C
Increased productivity. Productivity is the amount and the value of goods and services produced (outputs) from set amounts of resources (inputs). Effective human relations in the workplace improves employee morale, which often increases the amount of work employees accomplish. Effective human relations also increases customer loyalty and reduces absenteeism.
SOURCE: EI:037
SOURCE: EI LAP 5—Can You Relate? (Positive Working Relationships)

51. D

Bank notes. Bank notes are currency. Currency is the paper or metal (coin) money that individuals and businesses use to buy and sell goods and services. Paper money and coins are issued by a country's government. Corporate bonds are bonds issued by corporations to fund operating expenses. A mutual fund is a collection of shareholders' money that is invested by professional fund managers in an assortment of different securities, such as stocks and bonds. A bond is a piece of paper (real or virtual) that says the governing body or corporation will borrow your money at a particular interest rate for a particular period of time. Municipal bonds are issued by local governments.

SOURCE: FI:059

SOURCE: McMahon, M. & Harris, B. (2003-2015). *What is a bank note?* Retrieved August 31, 2015, from <http://www.wisegeek.com/what-is-a-bank-note.htm>

52. D

Truth-in-Lending Act. The Truth-in-Lending Act requires businesses to provide credit customers with all the information that applies to their accounts and send customers regular updated statements showing the status of their accounts. The purpose of the Equal Credit Opportunity Act is to make the granting of credit fair by prohibiting the denial of credit based on the applicant's gender, race, age, marital status, or national origin. The Fair Credit Billing Act requires businesses which extend credit to respond within 30 days to any customer's complaint or inquiry about a billing error. The Fair and Accurate Credit Transactions Act gives consumers the right to inspect the files of their credit history at any credit agency and to have any mistakes corrected.

SOURCE: FI:002

SOURCE: Holmes, T. (October 31, 2014). *Know your rights under the truth in lending act.* Retrieved August 11, 2015, from <http://www.creditcards.com/credit-card-news/know-your-rights-truth-in-lending-act-1282.php>.

53. A

Emergency fund. Many financial planners advise their clients to maintain a savings account specifically to cover unexpected events, such as job loss or illness. The money in an individual's emergency fund is used to cover basic living expenses (e.g., mortgage, rent, car insurance, food) until s/he can work and earn a steady income. Many financial planners advise individuals to maintain enough money to cover living expenses for three to six months. Education plans are savings accounts that allow parents to save money for their children's college education. Retirement funds are financial instruments that build wealth for an individual's retirement. An insurance policy is a contractual agreement in which one company (insurer) will pay for specified losses incurred by the other company (insured) in return for installment payments (premium).

SOURCE: FI:064

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 88]. New York: McGraw-Hill Irwin.

54. B

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

SOURCE: FI:066

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 89]. New York: McGraw-Hill Irwin.

55. D

Income. Income tax is a tax rate on all income a person earns. A percentage of Jane's pay is taken out to pay for this tax. Property tax is tax on property, such as a home. Consumers pay a sales tax when they purchase many types of goods. Since Jane is receiving her pay, not buying a good, sales tax does not apply. Excise taxes are taxes paid when purchases are made on a specific good, such as gasoline. Excise taxes are often included in the price of the product.

SOURCE: FI:067

SOURCE: AmosWEB. (2000-2015). *Taxes*. Retrieved August 31, 2015, from http://www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=taxes

56. B

Insurance policy. Individuals maintain a variety of financial records, and one of these is an insurance policy. In many cases, individuals have several types of insurance policies, such as automobile, homeowner's, health, life, etc. These policies pay claims that have cash value. For example, if an individual's home is damaged due to a tornado, a homeowner's policy will pay for repairs, which saves money for the homeowner. It is important for individuals to keep a record of these policies so they will know what is covered and for how much. Cashier's checks, product warranties, and travel reports are not financial records that individuals should maintain.

SOURCE: FI:069

SOURCE: Huguélet, M.C. (July 26, 2015). *What is an insurance policy?*. Retrieved August 11, 2015, from <http://www.wisegeek.com/what-is-an-insurance-policy.htm>.

57. C

Pay off your balance each month. If you must use credit cards, the most effective way to avoid excessive credit card debt is to pay off your balance each month. By paying back what you've borrowed each month, you can avoid paying interest and other costly fees. If you cannot pay off your balance each month, work to pay off high-interest credit cards first, since high-interest credit cards cost you more in the long run than low-interest cards. Choose credit cards with low limits so that you have less of an opportunity to accumulate debt. Credit card cash advances usually result in extremely high interest charges, often 20% or more. So, it is wise to avoid cash advances, rather than using them to pay debt.

SOURCE: FI:071

SOURCE: Basco, P. (2006-2015). *Seven ways to avoid runaway credit card debt*. Retrieved August 31, 2015, from <http://www.gettingacreditcard.com/article20.shtml>

58. B

Use unusual passwords rather than your birth date to access your bank accounts. Identity theft occurs when somebody uses another individual's name and personal information (e.g., credit cards) for fraudulent purposes. Identity theft can occur even when you take precautions. To reduce the risk of identity theft, use unusual passwords to access your personal bank accounts rather than common information such as your birth date. To further prevent identity theft, do not place your Social Security number or social insurance number on unnecessary documents. Many people do not have passports. Paying with cash is not always a good idea because cancelled bank checks serve as a receipt for payments. If you pay your bills by sending cash, the envelope may get lost, and you have no record of making the payment. In addition, using credit cards wisely can help you build a good credit report, which will help you obtain loans for expensive items (e.g., car) in the future.

SOURCE: FI:073

SOURCE: The University of Chicago. (2015). *Good password practices*. Retrieved August 31, 2015, from <https://itservices.uchicago.edu/page/good-password-practices>

59. B

They are very low risk. Bonds are very low risk investments. As a matter of fact, they are often referred to as "guaranteed money." However, you can't access your money at any time, and bonds are not FDIC-insured. Bonds are lending investments with little risk; therefore, they don't offer extremely high rates of return.

SOURCE: FI:077

SOURCE: FI LAP 77—Invest for Success (Types of Investments)

60. A
Obtain insurance. Risk is the possibility of loss. There are many ways to reduce the possibility of loss. One way to reduce the possibility of loss is by transferring the risk, which is done by obtaining insurance. Insurance is a contractual agreement in which one company (insurer) will pay for specified losses incurred by the other company (insured) in return for installment payments (premium). Implementing security measures, checking for hazards, and screening employees are ways to control and prevent certain types of risks.
SOURCE: FI:081
SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). *Marketing essentials* (pp. 727-728). Woodland Hills, CA: Glencoe/McGraw-Hill.
61. C
Balance sheet. A balance sheet is one type of financial statement that accountants prepare for a business using the financial information they gather, record, and organize. It is a snapshot of the business's assets and liabilities. A sales invoice is a bill given to a business customer. A credit card statement is a bill a credit card company sends to its customer. A bank-deposit slip is a receipt given to a bank customer when s/he makes a deposit into a checking or savings account.
SOURCE: FI:579
SOURCE: FI LAP 9—By the Numbers (The Need for Financial Information)
62. B
Accounting. Businesses use accounting to keep track of the value of the things they own, the amounts owed to them, and the amounts that they owe to others. Bookkeeping involves actually recording the financial information of a business. Controlling is the management function that monitors the work effort. Financing involves funding a business activity or project through debt, equity, or venture capital.
SOURCE: FI:085
SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)
63. D
Return on capital. Return on capital is a measure of how well a business generates cash flow. It is a key component of managing working capital. Accounts receivable refers to money owed to the business by others. Capital structure refers to a business's mix of financing. Accounts payable refers to the money the business owes to others.
SOURCE: FI:354
SOURCE: FI LAP 7—Money Matters (Role of Finance)
64. D
Screening. In the human resources function, screening involves "weeding out" the applicants that do not meet minimum requirements for the job or have not satisfactorily completed the application. On-boarding activities are human resources tasks that must be performed when a new employee joins the company (e.g., orientation and paperwork). Prospecting is a sales activity that involves identifying any person or organization with the potential to buy a product. Negotiating is the process of influencing someone to take a certain course of action in order to achieve a desired outcome.
SOURCE: HR:410
SOURCE: HR LAP 35—People Pusher (Nature of Human Resources Management)
65. D
Needs and desires of consumers. Businesspeople have found that it's just plain good business to base their decision making on customer needs and wants. They've learned that it's much better to find out what customers want and offer that, than it is to develop or manufacture an item and then try to sell it to someone. The goals of the business, its projected sales, and the services offered by competitors are other factors that affect managers' decisions.
SOURCE: MK:001
SOURCE: MK LAP 4—Have It Your Way (Nature of Marketing)

66. A

Last quarter, sales increased by 12%. A fact is a true statement—something that is known to be correct. To prove that sales truly increased by 12% last quarter, you can compare last quarter's sales with the sales from two quarters ago. An opinion, on the other hand, is a person's point of view or belief about a topic. "I believe that the product is defective"; "It seems that we have a problem"; and "Kerry and Dean are the nicest managers" are opinions. They reflect people's beliefs about the product's quality, about a situation, and about Kerry and Dean.

SOURCE: NF:077

SOURCE: Gunsch, J., Gilchrist, J., & Harris, B. (2013, May 27). *What is the difference between fact and opinion?* Retrieved August 31, 2015, from <http://www.wisegeek.org/what-is-the-difference-between-fact-and-opinion.htm>

67. B

His company's intranet. An intranet is an internal network similar to the Internet that is accessible only by authorized personnel. It is used to access information and communicate with others within an organization. A company intranet often consists of internal databases, which provide computerized storage for information and facts. Businesses typically maintain information in their databases that are relevant to their operations—product specifications, inventory levels, vendor contact information, customer sales records, etc. When an employee needs information, such as the model number of a customer's printer, s/he can quickly obtain the customer's sales records by accessing data stored on the intranet, which will ensure that the employee orders the correct printer cartridge for his/her customer. The manufacturer's accounting department, its production manager, and the company's contact directory are unlikely to have the information needed.

SOURCE: NF:078

SOURCE: Dlabay, L.R., Burrow, J.L., & Kleindl, B.A. (2012). *Principles of business* (8th ed.) [p. 264]. South-Western, Cengage Learning.

68. D

Obsolete. Records can be either paper or digital. Paper records are stored in drawers, in cabinets, or on shelves. Digital records, on the other hand, are stored in computer-related media such as flash drives, networked storage servers, or disks. Unfortunately, some computer-related media, including 5.25-inch floppy disks, have become obsolete, outmoded, and inaccessible; many business owners such as Chloe no longer own the older technology needed to access data stored in the obsolete media. Floppy disks are not typically destructive, networked, or decentralized.

SOURCE: NF:081

SOURCE: Fletcher, R. (2007, January 30). *PC World announces the end of the floppy disk*. Retrieved August 31, 2015, from <http://www.telegraph.co.uk/finance/2803487/PC-World-announces-the-end-of-the-floppy-disk.html>

69. B

A database. Because of advances in technology, records that used to take up row upon row of filing cabinets can now be kept on computers for quick and easy access, organization, and editing. These databases are great advantages for businesses. Internet telephony refers to communications that take place over the Web rather than over traditional public networks. This includes services like Vonage and Skype, which are known as Voice over Internet Protocol. Expert systems are a special kind of computer software designed to mimic the knowledge of a human expert. Automotive mechanics often use expert systems to diagnose trouble in a car's engine. Computer automation is typically used in the manufacturing industry to help companies plan and test products more efficiently or produce products in more cost-effective ways.

SOURCE: NF:003

SOURCE: NF LAP 4—TECH-tastic (Technology's Impact on Business)

70. B

Transaction processing system. This is a computerized information system that processes daily, routine business transactions at the operational level of companies. Knowledge work systems aid knowledge workers in the creation and integration of new knowledge into companies. Their purpose is to improve worker productivity. Decision support systems aid managers in making decisions that are unique and rapidly changing. Executive support systems are reporting tools that enable managers to turn a company's data into useful reports.

SOURCE: NF:083

SOURCE: techopedia. (2010-2015). *Transaction process system (TPS)*. Retrieved August 31, 2015, from <http://www.techopedia.com/definition/707/transaction-process-system-tps>

71. D

Operating system. The operating system manages the hardware and software and makes the computer work. The system connects the software to the hardware and controls the overall operation of the computer. The set of computer programs that manages the hardware and software of a computer is not the digital connection, the transfer protocol, or the electronic resource.

SOURCE: NF:085

SOURCE: Bovée, C. L., Thill, J. V., & Mescon, M. H. (2007). *Excellence in business* (3rd ed.) [p. 147]. Upper Saddle River, NJ: Pearson Prentice Hall.

72. A

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

SOURCE: NF:086

SOURCE: Roberts, M. (2008). *Internet marketing: Integrating online and offline strategies* (2nd ed.) [pp. 7-9]. Mason, OH: Cengage Learning.

73. D

Blind carbon copy. The blind carbon copy function (Bcc) is used to keep email addresses private and to prevent recipients from seeing who else is receiving the email. The blind carbon copy function is frequently used to send messages to a large group of email recipients. The carbon copy feature (cc) can also be used when sending email to several people, but every recipient can see everyone else's email address using this technique. An attachment is a computer file that is sent with an email message. An autoresponder is a computer program that automatically returns a specified message to anyone who emails a particular address.

SOURCE: NF:004

SOURCE: *Email blind carbon copy (Bcc)*. (1996-2012). Retrieved August 31, 2015, from http://www.livinginternet.com/e/ea_bcc.htm

74. B

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

SOURCE: NF:006

SOURCE: Beal, V. (2015). *Web browser*. Retrieved August 28, 2015, from <http://www.webopedia.com/TERM/B/browser.html>

75. D

Combining animation and sound. Presentation software programs give the user the capability of presenting information by combining graphics, text, animation, photographs, and sound. Presentation software can be used to create slide programs, overhead transparencies, multimedia presentations, etc. This software enables users to develop visual presentations that are lively, colorful, and appealing to viewers. Presentation software programs are not used to connect several computers, copy and print documents, or calculate mathematical data.

SOURCE: NF:008

SOURCE: Lehman, C., & DuFrene, D. (2011). *Business communication* (16th ed.) [pp. 29-30]. Mason, OH: South-Western Cengage Learning.

76. C

Kelli, Juan, and Phil can access and make changes to the company production schedule from their home computers. Groupware applications allow employees to access the same information from different locations. Because Kelli, Juan, and Phil can access the company's production schedule from their home computers, they are using groupware. There is not enough information provided to determine if the other groups can access presentation software programs, spreadsheet reports, and desktop publishing software through groupware applications, such as company intranets.

SOURCE: NF:011

SOURCE: White, D., & Foster, N. (n.d.). *What is groupware?* Retrieved August 31, 2015, from <http://www.wisegEEK.com/what-is-groupware.htm>

77. C

Effectiveness (keeping customers satisfied). Operations managers oversee all the processes involved with converting inputs into outputs. They complete this job with two goals in mind—efficiency (keeping costs low) and effectiveness (keeping customers satisfied). When the operations function is performed well, it adds value to the company's product. While operations managers certainly care about legality, productivity, and reputation, their main goals are to maintain efficiency and effectiveness.

SOURCE: OP:189

SOURCE: OP LAP 189—Smooth Operations (Nature of Operations)

78. D

Work-practice control. Employers are responsible for protecting their employees' health and safety. Businesses should identify potential hazards in the workplace and implement methods to correct, control, or eliminate these hazards. Readmore Bookstore is using a work-practice control to reduce the number of back injuries resulting from improper lifting. Work-practice controls change the way that employees do their jobs—often through training and safety meetings—to reduce the employees' chances of injuring themselves. Engineering controls are modifications made to equipment and/or the work environment to reduce the chance of injuries. Engineering controls that the bookstore could implement to reduce employee injuries might include the purchase and use of pallet jacks, hand trucks, or dollies.

Administrative controls often include changes to when employees do their work to reduce the risk of injury. An administrative control that could help to reduce back injuries at the bookstore might involve limiting the length of time that each employee spends lifting boxes each day. Personal protective equipment is equipment or clothing designed to protect employees' health and safety. Personal protective equipment that the bookstore could require its employees to wear while lifting boxes could be back belts.

SOURCE: OP:004

SOURCE: Occupational Safety & Health Administration. (n.d.). *Solutions to control hazards*. Retrieved August 10, 2015, from <http://www.osha.gov/SLTC/ergonomics/controlhazards.html>

79. C

Maintain data security. Some advertising agencies use software programs that help maintain the security of data they send over the Internet to clients. These programs prevent documents from being forwarded to others so the information does not end up in the hands of competitors. Also, these programs prevent others from copying, editing, or printing the documents which helps maintain the information in its original form. Advertising agencies are not able to track employees' email, stop an incoming virus, or control internal communication by using a software program that prevents employees from forwarding documents over the Internet.

SOURCE: OP:064

SOURCE: Shinder, D. (2010, March 29). *10 ways to make sure your data doesn't walk out the door*. Retrieved August 11, 2015, from <http://www.techrepublic.com/blog/10-things/10-ways-to-make-sure-your-data-doesnt-walk-out-the-door-updated/>.

80. C

Provide training. Depending on the type of business, employees may be required to use equipment and machinery that may be complicated to operate. To help employees follow instructions and use the equipment and machinery in a safe manner, it is often necessary to provide training. During training, employees learn correct operating procedures which will minimize the possibility of accidents or injuries. Displaying first aid posters or installing a sprinkler system will not help employees follow instructions for the use of equipment and machinery. Depending on the equipment or machinery, employees may be required to wash their hands before or after use.

SOURCE: OP:006

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 407, 409]. Tinley Park, IL: Goodheart-Willcox Company, Inc.

81. A

Protect employees in the workplace. The Occupational Safety and Health Administration (OSHA) was formed in 1970 to coordinate federal safety programs. It operates as an agency of the U.S. Department of Labor. The Federal Trade Commission (FTC) regulates commerce in the U.S. Disabled and retired workers in the U.S. receive pensions from Social Security. The Defense Department is responsible for overseeing the armed forces.

SOURCE: OP:007

SOURCE: United States Department of Labor. (n.d.). *About OSHA*. Retrieved August 28, 2015, from <http://www.osha.gov/about.html>

82. B

Bomb threat. Emergency situations usually occur unexpectedly. Therefore, business employees should know how to handle and report them even if it is unlikely they will occur. An example of an emergency situation is a bomb threat. Although most businesses will never have a bomb threat, employees should know what to do to be prepared if it happens. Civil disorder usually involves widespread rioting. Not all employees handle checks or security issues such as identity theft in the workplace.

SOURCE: OP:010

SOURCE: NSW MSC Online. (n.d.). *Follow emergency procedures*. Retrieved August 28, 2015, from http://hsc.csu.edu.au/construction/other_units/compulsory/bcg1001a/3263/emergency_procedures.htm

83. D

Log out of his/her computer when leaving work. One way that an individual employee can help protect company information on a daily basis is to log out of his/her computer when leaving work for lunch or for the evening. By doing so, it becomes much more difficult for an intruder to access company information on that particular computer. However, if the employee also stores her/his log-in information (i.e., username and password) in a desk drawer at work, that very same intruder can easily access company data if s/he has time and opportunity to look in the drawers of the desk. Checking personal email on a work computer and transferring files from a home computer to a work computer are potentially dangerous. They make the computer vulnerable to hackers' attacks and electronic viruses which could result in the loss of company information.

SOURCE: OP:153

SOURCE: Cisco. (n.d.). *Data leakage worldwide: Common risks and mistakes employees make*. Retrieved August 31, 2015, from http://www.cisco.com/en/US/solutions/collateral/ns170/ns896/ns895/white_paper_c11-499060.html

84. A

Decentralized. Decentralized is a way of organizing purchasing in which responsibility and authority are distributed among many departments and individuals. Many nationwide retail chains have decentralized their purchasing operations because they have grown so large that central buying can no longer effectively purchase for geographically distant stores. Standardized is something that is always done in the same way. Centralized purchasing is a way of organizing purchasing in which responsibility and authority are held in one department and/or by a few individuals. Specialized is concentrating on a limited line of endeavor.

SOURCE: OP:015

SOURCE: Accounting Management. (2010). *Concept and meaning of decentralized purchasing, advantages and disadvantages of decentralized purchasing*. Retrieved August 28, 2015, from <http://accountlearning.blogspot.com/2010/05/dicentralized-purchasing-advantages-and.html>

85. C

Competitive-bid. Placing orders through the use of a competitive-bid buying method involves sending specifications for products to several vendors who respond with written quotes. Then, the business reviews the quotes and decides which vendor most closely meets the specifications. The specifications might include quality of product, delivery time, and price. This process is time consuming but often provides businesses with vendors that are able to provide exactly what the businesses want. The blank-check buying method involves giving certain vendors the authority to deliver products without first quoting a price. The lowest-price method involves always buying from the low bidder without considering other specifications. Standard-markup is not a buying method.

SOURCE: OP:016

SOURCE: Inc.com. (n.d.). *Competitive bids*. Retrieved August 28, 2015, from <http://www.inc.com/encyclopedia/competitive-bids.html>

86. B

Using proper, approved inventory processes helps to ensure that you won't run out of supplies. One of the biggest reasons to inventory your supplies is that it lets you know what you have in stock. When you see that you're running low, you can reorder supplies. Supplies need to be maintained; they aren't ordered only once per year. Conducting a routine inventory of supplies actually reduces the chance of theft. All employees should not order supplies; instead, one or two employees should be in charge of purchasing. If too many employees buy supplies, it can be hard to keep track of inventory.

SOURCE: OP:031

SOURCE: Mott, A. (2014). *How to do inventory of office supplies*. Retrieved on August 31, 2015, from <http://smallbusiness.chron.com/inventory-office-supplies-18351.html>

87. A
Exercise, diet, and sleep. There are a number of health factors that contribute to personal appearance. These include good nutrition, regular exercise, weight control, adequate sleep, dental and eye care, and correct posture. Education, training, and study help to maintain good mental health. Positive thinking, hobbies, vacations, and recreation help to maintain good emotional health.
SOURCE: PD:002
SOURCE: PD LAP 5—Brand ME! (Personal Appearance)
88. C
Observations. If businesspeople want to be innovative, they must always be observing life around them—both the business world and the world in general. They should be reading trade publications, newspapers, and industry blogs as well as attending trade shows and conferences. Experience, demographics, and accidents are all sources of innovation, but they are not illustrated in this example.
SOURCE: PD:126
SOURCE: PD LAP 18—Ideas in Action (Innovation Skills)
89. D
Have a gut feeling about one alternative. If you rely on your insight or intuition, then you're listening to a gut feeling that one alternative is better (or worse) than the other. Being comfortable with risk, having encountered an option before, and being set on a particular result are all internal factors that affect your decisions, but they aren't directly tied to insight's significant role in the decision-making process.
SOURCE: PD:017
SOURCE: PD LAP 10—Weigh Your Options (Decision Making in Business)
90. B
Attending a school of art and design. This would be an appropriate educational goal for Susan because it will help her to make the most of her skills without requiring the kinds of academic courses that cause her problems. Graduating from a four-year university or completing graduate-level courses may be very stressful and could damage her self-esteem. Studying the works of great artists does not constitute an educational goal, but it would be an appropriate leisure pursuit for Susan.
SOURCE: PD:013
SOURCE: College Living Experience. (December 18, 2012). *How students with learning challenges set and accomplish realistic goals*. Retrieved August 11, 2015, from <http://experiencecle.com/2012/12/how-to-set-and-accomplish-realistic-goals/>.
91. A
Fair treatment. Discrimination is the unfair treatment of a person or a group based on the person's or group's characteristics, which include race, religion, and gender. In the example, the business pays both its male and female employees the same salary range for the same type of work, which indicates it is treating people fairly on the basis of their gender. In many countries, there are laws that prohibit discrimination, so businesses should take steps to ensure that they are in compliance with the law and treating their employees fairly. The example does not describe the employees' right to work in a safe environment or their right to privacy. Businesses do not prevent employees from buying stock. Some types of corporations encourage their employees to buy their company stock.
SOURCE: PD:021
SOURCE: Nolo. (2013). *Employee rights law center*. Retrieved August 31, 2015, from <http://www.nolo.com/legal-encyclopedia/employee-rights/>
92. D
Occupational Outlook Handbook. This publication is available in most libraries and online and provides up-to-date information about the number of openings, advancement potential, and pay rates for a wide range of careers. It is revised regularly by the U.S. Department of Labor based on current job statistics. Career centers and school guidance offices are helpful sources of information for people who are still in school or ready to graduate. Temporary jobs can provide experience but are limited in scope and probably would not be helpful to people who are currently employed.
SOURCE: PD:022
SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (pp. 35-36). Columbus, OH: McGraw-Hill Education.

93. B

Passion for a hobby. Entrepreneurial ventures often begin as hobbies such as sewing, baking, jewelry making, or woodworking. Because Miguel enjoyed woodworking in his spare time, his business started out as a hobby. There is not enough information to determine if Miguel wanted a more flexible schedule, had technological knowledge, or needed more adventure in his life when he started his business.

SOURCE: PD:066

SOURCE: PD LAP 66—Own Your Own (Career Opportunities in Entrepreneurship)

94. D

Posted help-wanted signs. Many local businesses post help-wanted signs in their windows to attract the attention of prospective employees. Young people searching for their first jobs often respond to the help-wanted signs. The young people usually are familiar with these businesses because they are part of the community. Businesses that hire employment agencies, conduct professional searches, and advertise in trade journals usually are looking for employees who have experience or specialized training rather than young people searching for their first jobs.

SOURCE: PD:026

SOURCE: Tahmincioglu, E. (2012, June 26). *Summer help-wanted signs are still up*. Retrieved August 31, 2015, from <http://www.today.com/money/summer-help-wanted-signs-are-still-6C9677196>

95. A

Write clearly using a black or blue pen to present a professional appearance. The way in which an applicant fills out a job application can affect the applicant's chances of getting an interview. A job application that contains sloppy handwriting, misspelled words, and incomplete information presents an unprofessional impression. It indicates to the business that the applicant completes tasks haphazardly, which is not a favorable trait for employees to have. To present a professional appearance, the applicant should complete every section of the application and write clearly using a blue or black pen. Some employers may feel that using a pencil to complete an application is unprofessional and difficult to read. Although it depends on the position, many employers require that applicants provide résumés when they complete job applications.

SOURCE: PD:027

SOURCE: Hansen, R. (2015). *A job-seeker's guide to successfully completing job applications*. Retrieved August 10, 2015, from http://www.quintcareers.com/job_applications.html

96. B

Express your interest in the job opening. A letter of application serves as a way to introduce yourself, express your interest in a job with the company, and briefly describe why you are a good candidate for the job. Because your résumé is enclosed with the letter, you should provide résumé highlights, and ask the reader to refer to the résumé for further details about your skills, experience, and education. Salary requirements are usually not addressed in the letter of application. The interviewer contacts the job applicant to schedule an interview after reviewing the applicant's letter of application and résumé.

SOURCE: PD:030

SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 125-126). New York: Glencoe/McGraw-Hill.

97. A

Former employers. The reference section of a résumé should list two or three people who can provide information about you. The best references are former employers, because they can accurately describe your work habits, abilities, and attitudes towards the job. Prospective employers will want to contact these references to find out if you performed satisfactorily in former positions. Potential employers usually do not want to contact your classmates, family members, and coworkers because they are personal references who may be unable to provide unbiased information about you.

SOURCE: PD:031

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

98. B

Jobs of the future. Employees will experience many changes in technology throughout their careers. In order to be prepared for the jobs that new technology will create, employees need to continue their education. Technology will eliminate some jobs in the future and change the way some jobs are performed. Employees will need to keep up with the new developments by continuing their education and learning new skills. Those employees who do not continue their education might find themselves without jobs because they have not adapted to a new work environment. Employees do not continue their education in order to be prepared for life after retirement, changes in lifestyle, or adjustments in pay. However, continuing their education often helps employees to improve their lifestyle by increasing their pay.

SOURCE: PD:033

SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (p. 307). New York: Glencoe/McGraw-Hill.

99. D

Take disciplinary action. A firm's rules of conduct outline its policies and expectations regarding employees' behavior in the workplace. Often, businesses document the rules of conduct in an employee handbook. If employees break the firm's rules of conduct, the firm may take action to discipline the employee. Disciplinary actions that a firm might take include counseling, revoking privileges, and implementing unpaid suspensions. Serious offenses may result in dismissal. Employees who do not follow the company's rules of conduct are not usually promoted. Although it is possible for a business to change certain policies, not all policies address the rules of conduct. For example, the business might change aspects of its selling policies, some of which may not address the sales staff's conduct in relation to the selling process. Quotas are specific goals (e.g., sales dollars) to be met.

SOURCE: PD:251

SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [pp. 84-85]. Mason, OH: South-Western Cengage Learning.

100. B

Staffing. Staffing is the management function of finding workers for the business. When a manager staffs the firm, s/he is locating workers to fill job positions. Controlling is the management function that monitors the work effort. Directing is the management function of providing guidance to workers and work projects. Planning is the management function of deciding what will be done and how it will be accomplished.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (Concept of Management)