1.	A.	of the following is a function of the United State To interpret laws To develop regulations	Č.	dicial system: To license attorneys To analyze crimes		
2.	and shoof being A.	nly her seventh month in business, Martha reali e would be taking home a \$1,000 profit for the r g the boss. This is an advantage of what type o Partnership Sole proprietorship	non f bu C.	th. Finally, she could reap the financial reward		
3.	A. B. C.	of the following is one of the rights of customers. To be informed about a destination's social co. To be asked if they want to buy trip insurance. To be reminded that foreign travel is often dar. To be told about a competitor's refund policy.	ndit	ions		
4.	A. B. C.	of the following is a benefit of channels of distriction. We spend more time looking for products we wanted Producers must spend more money. Retailers must spend more money. We can more easily obtain products from all o	wan	t.		
5.	promot A.	ke sure products are available when customers tion with communication. transportation.	C.	segmentation.		
6.	A skill t	that promotes effective verbal communication is think of other things while you listen. pretend interest in what is being said.	the C.			
7.	A.	should a business employee do after taking a te Thank the caller Write a detailed explanation	Ċ.	one message for a coworker? Contact a supervisor File the information		
8.	Α.`	you state a fact, it's important to be accurate. think before you speak.		generalize. change your mind.		
9.	A.	organizing an oral presentation, you use chrono put items in time sequence. describe a problem and a plan for solving it.	Č.	cal order to arrange material into related subcategories. emphasize the relationship between events.		
10.	A.	of the following is a guideline for developing eff Be wordy Be repetitious	C.	ve written communication: Be thorough Be trite		
11.	A.	part of a business letter contains the writer's me Salutation Introduction	C.	ge? Body Close		
12.	A collection letter that a business writes to customers to encourage them to pay is an example of a(n) message.					
		informational persuasive		threatening aggressive		

13.	Α	of the following is an acceptable reason to send To establish a personal friendship line To wish an employee a happy birthday	C	To order merchandise from a vendor
14.	A.	portant for employees to demonstrate a custome handling problems. contacting suppliers.	C.	ervice mindset when they are placing orders. preparing schedules.
15.	Employ	vees often try to make sure that they understand		•
		bythe customer's question.	_	ignoring
		writing down		refuting
16.	cooked topping supervi	person has let the shift supervisor know that a coll properly at first. When the order was returned us. The customer threatens to not come back to sor take?	to th the	e table, the food lacked the requested restaurant. What action should the shift
		Tell the customer that many customers have h		
		Explain to the customer that the cook is trying Act busy while talking to the customer	to ir	nprove
		Apologize to the customer and indicate that th	ere	is no charge for the order
17.	What c	an a cruise ship provide its customers to improv	/e it	s service image and give itself a competitive
		Room service	C.	Standard products
	B.	Personalized activity schedules		Open-door policy
18.		a stream to supply water to a field in order to gro		rops is an example of using natural resources.
		capital goods. human resources.		economic resources.
19.	they ex	ces that consumers are willing to pay for goods pect to receive.		•
		amount of discount		number of refunds
	В.	amount of satisfaction	D.	percent of commission
20.	A. B. C.	mple of performing business activities in an "ou operates as the link between customers and p hires an outside firm to perform its marketing. begins long-term planning and organization. offers a new product in a popular product line.		
21.	A.	type of resource would most likely encourage a Abundant Scarce	C.	npany to do business with a foreign firm: Consumable Reusable
22.	A.	of the following is one type of information needs Operating expenses Net profit	C.	o compute the gross profit of a business: Market share Income from sales
23.	still and	oloyee of a quick-serve restaurant prepares Fre other takes customer orders. This is an example stages of production. geographic region.	e of C.	

24. One of the principal objectives of labor unions is

		reduced labor costs. improved worker efficiency.		increased wages. retained managerial authority.
25.	culture	of the following is a hand gesture that business s to avoid offending businesspeople in those co Crossed arms	ount	
		Handshake		OK sign
26.	Α.	eral, people judge your integrity on the basis of behavior. appearance.	C.	education. occupation.
27.	Α.	with a positive attitude are often referred to as pessimists. optimists.	C.	realists.
		•		
28.	Α.	people make you angry or upset, you may be a make an effort to remain calm. use language to vent your anger.	C.	adopt a defensive attitude. frown to indicate your displeasure.
29.	A.	of the following kinds of feedback is most likely External	C.	Critical
	В.	Negative	D.	Positive
30.	A. B. C.	le of women can cause cultural sensitivity issue men avoid working for women. women exceed men's accomplishments in hig in many cultures, women do not have comple women usually do not become managers.	jher	education.
31.	A.	ng requests can be a particularly tough task when you are sick. at work.		for an aggressive person. during the summer.
32.		two people in the same department disagree all encing a(n)	oout	how to allocate their budget, they are
	A.	internal conflict. external conflict.		labor dispute. reconcilable dispute.
33.		finds her daily work tasks to be less mundane plishing the team's shared vision. Which benefion?		
		It provides focus for team members' energy. It creates accountability.		It acts as a guide for decision-making. It stimulates creativity.
34.		s sure she won't like her new coworker, Janet, banyone from New England, but she believes the de of		
	A.	generosity. thoughtfulness.		grievance. prejudice.

A. Average check size

B. Customers

HOSPITALITY AND TOURISM CLUSTER EXAM

35. When the Silvers purchased their new car, the dealership representative sold their contract to a company in exchange for cash. To what type of business would the dealership have sold the Scontract?								
		Finance company		Commercial bank Credit union				
	D.	Savings and loan association	D.	Credit union				
36.		al planning can be described as a way to		40				
		retire with a million dollars by the time you're a remove the fun from saving and investing.	age [,]	40.				
	C.	make it all right to treat yourself.						
	D.	realize what it takes to get the things you reall	y wa	ant.				
37.	stateme	ciling a personal bank statement is the process ent balance and the						
		checkbook balance.		canceled checks.				
	В.	balance sheet.	D.	deposit slips.				
38.	known							
		guarantees.		contracts. securities.				
	D.	bonds.	υ. ———	securities.				
39.		the benefits of buying whole-life insurance is the						
		it builds up cash value.		it pays high interest.				
	В.	the premiums decrease.	D.	the face value increases.				
40.		Business risk can be reduced through careful planning and by						
		A. transferring decision-making responsibility to an assistant.						
		B. ignoring current and future economic conditions.C. quickly narrowing the choice of possible actions.						
		making reasonable decisions as new condition		evelop.				
41.		paring the categories in an income statement,						
		spending too much on expenses. paying too little for supplies.		earning too much income. acquiring goods for too low a price.				
	D.	paying too little for supplies.	D.	acquiring goods for too low a price.				
42.		of the following is a primary responsibility of a c						
		Materials allocation						
	В.	Product sourcing	D.	Sales forecasting				
43.	Which	of the following is an on-boarding activity:						
		Grievances		Orientation				
	B.	Compliance	D.	Exit interviews				
44.		How could the corporate headquarters of a national restaurant chain use the U.S. Census data that it obtained online?						
		To determine ease of access to a new restaur						
		To determine what type of restaurant to open						
		To determine availability of management pers						
	D. To determine where to locate a new restaurant based on population growth							
45.		of the following would be most useful in trackin lity and tourism marketing:	g en	vironmental changes in technology that impact				

C. Trade magazines

D. Consumer magazines

46.	Which of the following would best enable a hotel to as A. Sales records B. Focus groups	C.	s its business guests' ongoing behavior: Test markets Surveys
47.	Calculate the mean if 420 customers rated the quality manner: 30 rated it a 1; 82 rated it a 2; 114 rated it a 3. A. 3.6 B. 3.3	3; 96 C.	
48.	When presenting marketing research results to key do important action for the researcher to take? A. Present the data graphically B. Highlight key findings C. Explain statistics used to obtain the results D. Incorporate both primary and secondary data		on makers, which of the following is the most
49.	Businesses often use promotional campaigns to creat A. image. B. credit.	C.	improve their safety. displays.
50.	One key difference between product marketing and set A. consistency is much more important with a problem B. products are intangible, while services are tall C. products always cost more than services cost D. services are usually produced and consumed	oduo ngibl t.	ot than with a service. e.
51.	In determining potential lodging markets, industry lead segment in the lodging industry which is defined by A. life stage. B. geographic area.	C.	must look at the most common marketing trip purpose. income level.
52.	Who is responsible for information management? A. The information management department B. Everyone in the organization		An information technology manager The chief executive officer
53.	Which of the following is a form of technology that reconduction efficiency: A. Web feeds B. Robotics	C.	s the need for manual labor and maximizes Satellite tracking systems Webcasts
54.	When writing e-mail messages, employees should read. A. are formal correspondence. B. take a long time to prepare.	C.	ber that e-mails can be forwarded to others. are private conversations.
55.	Which of the following is the primary capability of mos A. To maintain customer lists B. To generate spreadsheets	C.	rd-processing software programs: To create text documents To catalog personnel records
56.	An advantage to a business that uses collaborative conformation quickly, which increases their A. independence. B. productivity.		profit.
57.	One way that a business protects its vital records is b A. storing them in a safe environment. B. keeping them in the business office.		filing them in cardboard boxes. converting them to videotapes.

6

58.	Why is it important for businesses to interpret statisti A. To organize a database B. To develop charts and tables	ical findings? C. To calculate the median D. To obtain useful information
59.	 A benefit that online reservations systems have created. A. process fewer guest reservations. B. communicate with guests less often. C. hire fewer front desk clerks. D. rely less on the use of travel agencies for but 	
60.	The foundation of the operations function is A. quality control. B. maintenance and repairs.	C. purchasing. D. production planning.
61.	The Occupational Safety and Health Administration (prevent	(OSHA) is a federal government agency that tries to
	A. employee theft. B. high levels of unemployment.	C. hazards in the workplace.D. natural risks.
62.	A major cause of accidents on the job is A. OSHA rules. B. job transfers.	C. an unsafe environment. D. being safety-conscious.
63.	Which of the following is an example of employee pil A. Installing personally owned software on your B. Changing the amount specified on a check y C. Padding an expense account D. Hacking into your company's computer to ob	r computer at work you prepare for the company
64.	Annika, the purchasing specialist for Dottie's Donut Supplier. Dottie does not plan to lower donut prices. supplier, what is likely to happen? A. The profit margin for donuts will decrease. B. Donut sales will decrease.	
65.	Which of the following should a business calculate b A. Trade-in allowance B. Sales-volume quota	pefore deciding what price to charge for its goods: C. Break-even point D. Prime-interest rate
66.	Which of the following is a type of business maintena A. Replacement B. Breakdown	ance that routinely services operating equipment: C. Emergency D. Preventive
67.	Which of the following is a slogan that a store might when making decisions if they are approached by a A. Protect Property Please B. Provide Police Protection	
68.	If a motel experiences a fire, earthquake, or severe f A. administer first aid as soon as possible. B. activate each motel room's sprinkler system.	flood, the motel staff should C. call the appropriate medical professionals. D. follow appropriate emergency procedures.
69.	A business's employees should keep themselves we A. accessorize with plenty of jewelry. B. wear their most expensive clothes.	ell groomed and C. abide by the dress policies of the employer. D. demonstrate personal clothing tastes.

70.	A good way to keep yourself from putting off working A. ask someone to evaluate your commitment. B. make sure your goal is honest.	
71.	What do most creative ideas need in order to come in A. Attitude of conformity B. Limited amount of cooperation	nto being? C. Time for criticism D. Period of incubation
72.	An employee who answers phone calls and manages A. human resource management. B. operations management.	s the office schedule works in C. corporate/general management. D. administrative services.
73.	Which of the following are the best references to list i A. Coworkers B. Family members	in a résumé: C. Former employers D. Classmates
74.	events	e Billy Bob's is a restaurant apters are often involved in special sales-promotio cause Billy Bob's restaurant is a hospitality busines
75.	To stay current on industry trends, promotional method might A. hire an assessment consultant for staff evalues B. develop a staff training manual. C. attend a session with a motivational speaker. D. join a professional trade association.	aation.
76.	What is the typical effect of an economic slowdown o A. A decrease in the number of guests and a de B. An increase in the number of guests and a de C. A decrease in the number of guests and an ii D. An increase in the number of guests and an ii	ecrease in the number of rooms available ecrease in the number of rooms available ncrease in the number of rooms available
77.	Demand is often a factor that has a significant effect A. price B. availability	on the of travel and tourism products. C. quality D. source
78.	Why do businesses often try to develop a unique pos A. To create an original marketing plan B. To monitor its growth stage	sitioning concept for a new product? C. To set it apart from competitors D. To identify innovative objectives
79.	If one 16-pound turkey usually serves 15 people, how order to serve 50 customers? A. Five B. Three	w many turkeys should a restaurant purchase in C. Four D. Six
80.	Which of the following is the core product in the hosp A. Retailing B. Entertainment	oitality industry: C. Lodging D. Food service

Test 1023

81.		of the following is a distinct service that a resort	, wr	lich is located near a large amusement park,
		provide its guests:	_	Chattle
		Room Courier		Shuttle
	Б.	Courier	D.	Dining
82.	One of have a	the disadvantages to marketers of using strean	ning	media e-mail is that it requires the recipient to
		` ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' '	C.	high-speed Internet connection.
	B.	complicated operating system. sophisticated computer keyboard.		unlisted telephone number.
				•
83.	Busine	sses often use vivid colors to present their prod	ucts	in advertisements in order to
		offer choices.		create balance.
	B.	distract readers.	D.	provide realism.
84.	Which	of the following is an important part of designing	an a	effective advertisement:
		Position		Frequency
		Storyboard		Typography
		• • • • • • • • • • • • • • • • • • •		71 3 4 7
85.	One wa	ay of tracking marketing-communications activiti	ies i	s through the use of
		interviews.		surveys.
	B.	questionnaires.		databases.
 		-		
86.	Digital (color is a type of	eren e	
	Α.	media strategy.	C.	graphic design.
	В.	printing process.	D.	advertising method.
87.	The ma	ain message of advertising copy usually focuses	on	a product's
		dependability.	C.	warranty.
	B.	features.	D.	benefits.
88.		ount manager for a large national travel compar		
		e with the company's Super Bowl ads. What typ		
				Blue lines
	В.	Black-and-white laser	D.	Press
	_			
89.		ason why it is important for a business to be inv	olve	ed in community activities is because this
		ment often	_	
		requires employees to donate their time.		helps the business to test new products.
	D.	sets the business apart from competitors.	D.	allows customers to meet top management.
00	\//h-m:	dantificing agreements in the factor of the same and in the sa		-ut businesses after sensidentalish sees will
90.		dentifying community issues for company involved		
		contribute to the social good. earn a reasonable profit.		generate positive publicity. build consumer loyalty.
	ъ.	earri a reasonable profit.	D.	build consumer loyalty.
04	Mbot d	a huainagaga aftan ingluda with a nawa ralagag		ttreat on aditor's attention:
91.		o businesses often include with a news release Promotional souvenir		Reference list
		Captioned photograph		Thank-you letter
	D.	Captioned photograph	D.	Hank-you letter
വാ	The Cr	port Trovolora! Store in planning a appoint prome	-ti	for Valentine's Day What should you do the
ک ۷.		nart Travelers' Store is planning a special promo fore to make sure that your department is prepa		
		Make sure advertisements appeared in the ne		
		Determine whether anything needs to be order		ары.
		Confirm that red items have been displayed.	cu.	
		Staff the store with the same salespeople who	WOI	ked last vear
		The same state of the same sta		· · · · · · · · · · · · · · · · · · ·

93.	A.	s a guideline that a restaurant might follow to m Add new props Remove damaged items	C.	ain displays in good condition? Change backgrounds Update color schemes
94.	A.	of the following is a characteristic of certain styl Dot pattern Graphic	C.	of type: Pica Sans serif
95.	specific	time period. This is an example of a(n)		ious guests to use if they book a room during a
		institutional advertisement. sales promotion.		opt-in e-mail. trade-in allowance.
96.	purcha A. B. C.	mote a new package tour to India, a travel ager se displays might hold a sweepstakes with expensive prizes for designate a week for displays to feature souve offer monthly sales incentives to agents who be advertise special discounts or price breaks on	cust enirs	tomers who purchase the tour. s, videos, and photos pertaining to the tour. the most seats on the tour.
97.	meetin	ropriate question for a hotel's sales staff to ask g room is about		
		other hotels that are being considered. attendees' sensitivity to cold rooms.		audio-visual needs for the meeting. budget the customer has to work with.
98.	When isatisfy	restaurant wait staff use substitute selling, they the	sho	uld remember that it is important to always
	A.	suppliers' demands. business's goals.		owner's requests. customers' needs.
99.		el agent says to a customer, "Should we reserve technique has been used?	spa	ace for you on this cruise?" What type of sales
	A.	Assumptive Incentive (Bonus)		Summative Direct
100.	When is the best time for a front-desk hotel employee to recommend hospitality services, such as dining and exercise facilities, to a hotel guest:			
	A.	After posting charges After posting credits		During check-in During check-out

To interpret laws. The United States' judicial system is the court system. One of the main functions of this system is to interpret the body of American law. The various courts interpret the law and apply it in order to provide justice. The judicial system does not develop regulations, license attorneys, or analyze crimes.

SOURCE: BL:068

SOURCE: Miller, R.L., & Jentz, G.A. (2005). Fundamentals of business law (6th ed.) [p. 33]. Mason,

OH: Thomson/South-Western.

2. B

Sole proprietorship. This is a form of business ownership in which the business is owned by only one person, and that person receives any profits made by the business. A merger is the absorption of one company by another rather than a type of business ownership. A partnership is owned by two or more people, and profits would be split between them. A corporation is owned by people who own stock in the business, and they split the profits.

SOURCE: BL:003

SOURCE: BA LAP 7—Own It Your Way

3. A

To be informed about a destination's social conditions. Travel agents and tour operators have an obligation to inform clients about the social and political conditions in a destination that they are considering visiting. Clients have a right to know if there is political unrest, a threat of terrorism, or other dangerous situations that might affect their travel plans or their safety. They should be made aware of possible problems in order to make an informed decision as to whether to visit certain destinations.

Travel agents and tour operators usually do not discuss a competitor's refund policy. They often ask customers if they want to buy trip insurance, but that is not considered a customer right. Travel to most foreign countries is not dangerous. However, if travel to some areas is dangerous, customers have a right to know.

SOURCE: BL:135

SOURCE: Soloman, M. R., Marshall, G. W., & Stuart, E. W. (2008). Marketing: Real people, real

choices (5th ed.) [p. 69]. Upper Saddle River, NJ: Pearson Prentice Hall.

4. D

We can more easily obtain products from all over the world. Channels of distribution allow consumers, industrial users, producers, and other channel intermediaries to save time and money. They also allow us to more easily obtain products from all over the world, since we do not have to travel and search for each individual item we wish to purchase.

SOURCE: CM:003

SOURCE: CM LAP 1—Channel It (Channels of Distribution)

5. D

Distribution. Promotion helps to create demand for products, while distribution makes those products available. Businesses coordinate distribution with promotional activities to make sure that sufficient quantities of advertised products are available when customers want to buy them. If a business plans to promote a certain item, the business must make sure that an adequate supply will be on hand to meet customer demand. Businesses may lose customers if they promote certain items that are not available because they failed to make the necessary distribution arrangements. Transportation is the act of moving items from one place to another and is only one aspect of distribution. Segmentation involves dividing something, such as a total market, into smaller, more specific groups. Communication is an exchange of information in which the words and gestures are understood in the same way by both the speaker and the listener.

SOURCE: CM:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 367). New

York: Glencoe/McGraw-Hill.

6. D

Listen with your brain. Good communication is a two-way process. To communicate, you must learn how to be a good listener as well as how to express your own ideas. This involves listening to everything the speaker says even if not all of it is of personal interest, being genuinely interested, and thinking about what you are hearing rather than letting your mind wander to other things.

SOURCE: CO:147

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). *Communicating for success* (3rd ed.) [p. 81]. Mason, OH: Thomson South-Western.

7. A

Thank the caller. Answering the telephone and taking messages for coworkers is often part of an employee's everyday routine. It is important for the employee to properly handle the call, and this involves thanking the caller. In many cases, the caller is a customer who is leaving an important message. Therefore, the person taking the call should always thank the caller for contacting the business. The employee taking the message should obtain the necessary information, but does not need to write a detailed explanation. It is usually not necessary to contact a supervisor unless there is a problem that must be addressed immediately. It is not appropriate to file the information.

SOURCE: CO:114

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). Communicating for

success (3rd ed.) [p. 86]. Mason, OH: Thomson South-Western.

8. A

Be accurate. When you state a fact, it's important to be accurate. Make sure you can support your statement. Don't generalize. Stating a fact is not usually about thinking before you speak (as in stating an opinion) or about changing your mind (as in hearing a fact stated by another person).

SOURCE: CO:053

SOURCE: QS LAP 29-Put In Your Two Cents

9. A

Put items in time sequence. Chronological order arranges items according to the time they occur. The order that describes a problem and a plan for solving it is problem/solution order. The order that arranges material into related subcategories is topical order. The order that emphasizes the relationship between events is cause-and-effect order.

SOURCE: CO:025

SOURCE: QS LAP 9-Well Said!

10. C

Be thorough. Effective written communication must be thorough and contain all the information necessary for the recipient to respond or react. Effective written communication answers the questions of who, what, when, where, why, and how. Recipients of effective written communication will understand exactly what the senders are trying to convey. Effective written communication should not be repetitious, wordy, or trite.

SOURCE: CO:016

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (pp. 187-189). New

York: Glencoe/McGraw-Hill.

11. C

Body. The body of a business letter contains one or more paragraphs of information that the writer wants to give to the receiver. The introduction begins the letter. The salutation addresses the receiver (Dear Mr. Jones). The close usually tells the reader what to do or the preferred course of action.

SOURCE: CO:133

SOURCE: Locker, K.O. (2000). Business and administrative communication (5th ed.) [pp. 285-286].

Boston: Irwin/McGraw-Hill.

12. B

Persuasive. A collection letter is a type of persuasive message that many businesses write to customers who are delinquent in making payments on their accounts. The purpose of the collection letter is to persuade customers to send payment or to contact the business to make some type of arrangement. Collection letters should not be threatening or overly aggressive because they may offend customers rather than encourage them to respond immediately. Although a collection letter contains information, it is not considered to be an informational message.

SOURCE: CO:031

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). Communicating for

success (3rd ed.) [p. 341]. Mason, OH: Thomson South-Western.

13. D

To announce the addition of a new product line. The main form of written communication within an organization is the memorandum. Businesses use memos to provide information that is needed by company employees, such as the addition of a new product line. Personal matters, such as friendships and employee birthdays, should not be the subject of memorandums. A request for merchandise would be placed through a purchase order.

SOURCE: CO:094

SOURCE: Hyden, J. S., Jordan, A. K., Steinauer, M. H., & Jones, M. J. (2006). Communicating for

success (3rd ed.) [p. 298]. Mason, OH: Thomson South-Western.

14. A

Handling problems. Problems and complaints should not be avoided but looked at as opportunities to demonstrate a customer-service mindset. Most customers will tell others about problems they have with the business, but they will also tell how quickly and satisfactorily their problems or complaints were resolved. These customers will likely return to the business, in spite of previous problems, because they know employees will resolve whatever problems arise. Employees do not need to demonstrate a customer-service mindset when placing orders, contacting suppliers, and preparing schedules because customers are not involved in these situations.

SOURCE: CR:004

SOURCE: Kirkham, M., Weiss, P., & Crawford, B. (2000). The waiting game: The ultimate guide to

waiting tables (p. 33). Austin, TX: Twenty Per Cent.

15. A

Restating. Often, it is helpful for the employee to restate the customer's question to make sure that's what the customer actually asked. Writing down the question would only be done when the employee needed to obtain further information in order to answer the question. Employees who are trying to understand what a customer is asking would not refute or ignore the question.

SOURCE: CR:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 226). New

York: Glencoe/McGraw-Hill.

16. D

Apologize to the customer and indicate that there is no charge for the order. The shift manager should focus on improving the customer's negative perceptions of the business. Her/his goal should be to make the customer's service experience as pleasant as possible. Delivery of quality customer service builds long-term customer loyalty. Offering the customer a free meal is one way to indicate that the customer's business is important. The cost of a free meal is low when compared to the money that can be lost due to unsatisfied customers. Not dealing with the situation in a customer-oriented manner will affect future sales. It is inappropriate to inform a customer that the cook is trying to improve. When a cook consistently performs below standard, the restaurant should provide needed training or find someone else who can meet the desired standards. Telling the customer that others have had the same experience or acting busy while talking to the customer does not resolve the customer's negative impression of the restaurant.

SOURCE: CR:010

SOURCE: Kirkham, M., Weiss, P., & Crawford, B. (2000). The waiting game: The ultimate guide to

waiting tables (p. 33). Austin, TX: Twenty Per Cent.

17. B

Personalized activity schedules. A competitive advantage is the edge that businesses achieve when they can offer something better than their competitors. A business that provides a service, or a better type of service, often has an advantage over competitors that do not provide the same service. Offering personalized activity schedules may persuade customers to buy from that cruise line. A business that does not have a competitive advantage if it offers room service or standard products that are provided by other, similar businesses. Open-door policy is a business practice whereby management encourages communication between employees and management by indicating that their doors are always open.

SOURCE: DS:029

SOURCE: Soloman, M. R., Marshall, G. W., & Stuart, E. W. (2008). Marketing: Real people, real

choices (5th ed.) [p. 315]. Upper Saddle River, NJ: Pearson Prentice Hall.

18. C

Natural resources. Natural resources are found in nature and are used to produce goods or services. Human resources are the people who work to produce goods and services. Capital goods are all manufactured or constructed items that are used to produce goods or services. Economic resources refer to all of the items used to produce goods or services.

SOURCE: EC:003

SOURCE: Clayton, G.E. (2005). Economics: Principles & practices (p. 7). New York: Glencoe/McGraw-

Hill.

19. B

Amount of satisfaction. Consumers often decide how much they are willing to pay for goods and services based on how much satisfaction or value they expect to receive from the purchase. Consumers who expect to receive great satisfaction from a certain good or service often are willing to pay higher prices than those consumers who do not place such a high value on the item. Discounts and refunds are ways of reducing prices. Commissions are paid to the sellers of products, not to consumers.

SOURCE: EC:006

SOURCE: Miller, R.L. (2005). Economics: Today and tomorrow (p. 173). New York: Glencoe/McGraw-

Hill.

20. B

Hires an outside firm to perform its marketing. A business performs its activities in an "out of the ordinary" way when it uses outsourcing or when it offers virtual services. Outsourcing is acquiring assistance from outside organizations/consultants to perform primary business activities. In this case, outsourcing is demonstrated by hiring an outside firm to perform the primary business activity of marketing. Operating as a link between customers and products is the role of marketing—certainly not out of the ordinary. Long-term planning and organizing for the future are part of strategic management. Offering a new product in a popular product line is part of marketing and/or operations.

SOURCE: EC:071

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

21. B

Scarce. Often, companies do business with foreign firms because the firms are located in a country that has a scare (rare) resource that the companies (and nations) want or need. For example, crude oil is used to make the gasoline that fuels our cars and trucks. Middle Eastern countries have rich oil fields that other countries do not have, and sell this scarce product to other businesses and countries. If the desired resource were abundant, or reusable, there would be no reason to obtain the product from firms in other countries. Consumable products are usable, which may also be scare, abundant, or reusable.

SOURCE: EC:104

SOURCE: Pride, W.M., Hughes, R.J., & Kapoor, J.R. (2008). Business: Library edition (9th ed.)

[pp. 77-79]. Boston: Houghton Mifflin Company.

22. D

Income from sales. Income is the first factor that businesses consider when calculating profit. The gross profit of a business is computed by subtracting cost of goods sold from income from sales. The net profit is calculated by subtracting operating expenses from the gross profit. Market share is an organization's portion of the total industry sales in a specific market.

SOURCE: EC:010

SOURCE: EC LAP 2-Risk Rewarded (Profit)

23. D

Job task. This kind of specialization occurs when workers perform a limited number of highly specific tasks as part of a larger job effort. Specialization by stages of production occurs when different stages of production are required to change a raw material into a finished product. Trade or profession specialization is according to the type of work which a person performs in order to earn a living. The geographic region in which workers live may affect their choice of trade or profession, but it is not a category of labor specialization.

SOURCE: EC:014

SOURCE: Sexton, R.L. (2002). Exploring economics (2nd ed.) [pp. 38-39]. Mason, OH: South-Western.

24. C

Increased wages. Wages are usually a number-one issue for labor unions. Other objectives are improved working conditions and job security. Management objectives would include reducing labor costs, retaining managerial authority, and improving worker efficiency.

SOURCE: EC:015

SOURCE: Sexton, R.L. (2002). Exploring economics (2nd ed.) [p. 327]. Mason, OH: South-Western.

25. D

OK sign. Hand gestures have different meanings in different cultures. If businesspeople do not understand the meaning of those gestures in other countries, they may accidentally offend or insult businesspeople in those countries. The OK sign is an example of a hand gesture that has different meanings in different countries. In some countries it is a rude and insulting gesture, while in other countries a similar sign represents money. A handshake is not a hand gesture. An embrace is classified as touching. Crossed arms is not a hand gesture.

SOURCE: EC:045

SOURCE: Lesikar, R.V., & Flatley, M.E. (2005). Basic business communication: Skills for empowering

the Internet generation (10th ed.) [pp. 456-457]. Boston: McGraw-Hill/Irwin.

26. A

Behavior. Integrity is adhering to an established set of personal ethics. Ethics are the basic principles that govern your behavior. People with integrity follow their ethical or moral principles in order to do what is right. Integrity cannot be evaluated on the basis of appearance, education, or occupation.

SOURCE: EI:022

SOURCE: Wikipedia. (2009, September 16). Honesty. Retrieved September 18, 2009, from

http://en.wikipedia.org/wiki/Honesty

27. B

Optimists. An optimist is a person with a positive attitude. A pessimist is a person with a negative attitude. An extremist is a person who is unconventional or radical. A realist is a person who looks at things as they really are.

SOURCE: El:019

SOURCE: EI LAP 3—Opt for Optimism

28. A

Make an effort to remain calm. In some cases, acting calm will actually help you to be more calm. Using language to vent your anger indicates you have lost your self-control. Frowning and being defensive are negative responses that will not help you to maintain your self-control.

SOURCE: EI:025

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

29. D

Positive. Positive feedback is feedback involving praise. It tends to reinforce the behavior that led to the praise. Critical feedback is a form of negative feedback that tends to make people want to change their words or behavior. External feedback comes from an outside source and can be positive or negative.

SOURCE: EI:003

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

30. C

In many cultures, women do not have complete independence. The role of women can cause cultural sensitivity issues because, in many cultures, women do not have the independence they have in Western culture. Women's success in higher education and men's avoidance of working for women are actions rather than generalizations based on gender. This does not mean that women do not usually become managers, or that men avoid working for women.

SOURCE: EI:033

SOURCE: EI LAP 11—Getting to Know You (Cultural Sensitivity)

31. B

At work. Refusing requests can be a particularly tough task at work. There are times when you can't reasonably say "no," such as when your manager assigns you a new project or when a client has an unbreakable deadline. However, there are times when saying "no" is necessary and even makes you a better employee. Refusing requests isn't necessarily tougher when you are sick or during the summer. Aggressive people usually have no trouble saying "no."

SOURCE: EI:008

SOURCE: EI LAP 18—Assert Yourself (Assertiveness)

32. B

External conflict. An external conflict occurs with one other person or with a group of people. When you have conflicting thoughts or ideas within yourself, it's an internal conflict. A labor dispute usually refers to a disagreement between a labor union and management. Reconcilable dispute is not a commonly used phrase to describe conflict, but it indicates that a disagreement can be resolved.

SOURCE: EI:015

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

33. A

It provides focus for team members' energy. Shared vision has helped Penny focus her energy from day-to-day while she performs her work tasks. Shared vision also creates accountability, acts as a guide for decision making, and stimulates creativity, but these benefits are not illustrated in Penny's situation.

SOURCE: EI:060

SOURCE: EI LAP 13—Vision Quest (Enlisting Others in Vision)

34. D

Prejudice. Prejudice is opinions or judgments based on feelings or hearsay, rather than fact. Sally is basing her opinion of her coworker on what she has heard, not on fact. Her prejudice will keep her from feeling empathy for Janet. Thoughtfulness is consideration for others. Generosity is the willingness to give to others. A grievance is a complaint about unfairness.

SOURCE: El:036

SOURCE: Bailey, L.J. (2007). Working (4th ed) [p. 474]. Mason, OH: South-Western Cengage

Learning.

Finance company. To receive cash in exchange for the Silvers' contract, the dealership dealt with a sales finance company. This is a business that purchases borrowers' contracts from sellers and receives the borrowers' payments. A credit union is a financial cooperative set up to provide savings and credit services to its members. It usually operates within a business or a labor union. A savings and loan association is a financial institution that offers savings accounts and makes loans to borrowers. Most of the loans are for real-estate purchases. Commercial banks are full-service banks offering a variety of banking services, including checking and savings accounts, secured and unsecured loans, installment credit, and bank credit cards.

SOURCE: FI:002

SOURCE: Lowe, R.E., Malouf, C.A., & Jacobson, A.R. (2003). Consumer education & economics

(5th ed.) [pp. 280-281]. New York: Glencoe/McGraw-Hill.

36. D

Realize what it takes to get the things you really want. Financial planning is a good way to realize what it takes to get the things you really want. It is not a method for removing the fun from saving and investing, nor does it make it all right to treat yourself to something special. And, even the best financial planning can't guarantee you'll retire with a million dollars by the time you're age 40.

SOURCE: FI:065

SOURCE: QS LAP 31—Set Yourself Up (Setting Financial Goals)

37. A

Checkbook balance. Reconciling a bank statement is the process of determining any differences between the bank statement balance and the checkbook balance. A company's balance sheet is not part of maintaining a personal bank account or its records. Canceled checks and deposit slips are used during bank-statement reconciliation to determine if accurate records have been kept.

SOURCE: FI:070

SOURCE: Guerrieri, D.J., Haber, F.B., Hoyt, W.B., & Turner, R.E. (2004). Accounting: Real-world

applications & connections (p. G-8). New York: Glencoe/McGraw-Hill.

38. D

Securities. In investing, legal owning- or lending-agreements between individuals, businesses, or governments are known as securities. Securities can be separated into "owning" and "lending" categories. Bonds are one type of lending investment. Contracts are legal agreements in general—not necessarily related to investing. Guarantees are sometimes provided by sellers to buyers in a purchase situation.

SOURCE: FI:077

SOURCE: QS LAP 32-Risky Business

39. A

It builds up cash value. Whole-life insurance is also called ordinary or straight life insurance. One of the benefits of whole-life insurance is that as the policyholder pays premiums, the cash value of the policy increases. If necessary, s/he can cash in the policy for its cash value or borrow money against the cash value. The interest paid on the premiums is not usually high. Whole-life premiums increase as the policyholder gets older, but the face value of the policy stays the same.

SOURCE: FI:081

SOURCE: Bailey, L.J. (2007). Working (4th ed.) [pp. 382-383]. Mason, OH: South-Western Cengage

Learning.

40. D

Making reasonable decisions as new conditions develop. It is important to be flexible enough to make common-sense judgments if unforeseen situations develop. Current and future economic conditions should be analyzed to determine their possible effects on the business. The consequences of possible actions should be considered before the choices are narrowed. Transferring responsibility does not necessarily reduce or remove risk.

SOURCE: FI:084

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 719). New

York: Glencoe/McGraw-Hill.

Spending too much on expenses. By themselves, the elements of an income statement are simply categories and totals. A business needs to be able to see how the categories are affecting each other and the bottom line. By comparing categories, a business will be able to determine if it is spending too much on expenses and not earning sufficient profit. Most businesses try to spend as little as possible when purchasing supplies or acquiring goods. Businesses try to earn as much income as possible.

SOURCE: FI:094

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

42. C

Cash management. Finance is the process of obtaining funds and using them to achieve the goals of the business. An important aspect of the finance function is managing the cash that flows into and out of the business. Product sourcing, materials allocation, and sales forecasting are not primary responsibilities of a company's financial function.

SOURCE: FI:354

SOURCE: Ivancevich, J.M., & Duening, T.N. (2007). Business principles, guidelines, and practices

(2nd ed.) [p. 543]. Mason, OH: Thomson.

43. C

Orientation. Orientation is an on-boarding activity, an HR management activity that gets new employees started on the job. It may involve giving the employee a tour of the facilities and making introductions, giving the employee information about company procedures and policies, and familiarizing the employee with his/her new work space and equipment. Compliance is an HR management activity that involves making sure the company is following laws and regulations. Grievances are formal employee complaints made to an HR representative. Exit interviews are conducted with an employee who is leaving, not one who is new to the job.

SOURCE: HR:410

SOURCE: HR LAP 35—People Pusher (Nature of Human Resources Management)

44. D

To determine where to locate a new restaurant based on population growth. The U.S. Census data provide information on designated geographic areas that indicate demographic data, social data, and economic data, and allow comparisons across years. The restaurant could use the data to determine whether a geographic area is growing. The type of restaurant to open is already pre-determined by the types of restaurants in the chain. The census data cannot determine whether management personnel want to run a new restaurant, but they provide insight into the percentages of people in management and the educational levels of people in the area. The U.S. Census provides information about how long it takes people to get to work, but it does not address the area's infrastructure.

SOURCE: IM:423

SOURCE: U.S. Census Bureau. (2007). American fact finder. Retrieved September 18, 2009, from

http://factfinder.census.gov/home/saff/main.html?_lang=en

45. C

Trade magazines. These publications provide insight into technological changes occurring specifically in hospitality and tourism marketing. They are also a good source to use when tracking social/cultural changes and legal changes. By staying on top of environmental changes occurring in the industry, hospitality and tourism marketers are better positioned to take advantage of the changes. Customers may or may not be in the hospitality and tourism industry, so their knowledge of technological changes will probably be limited. The average check size is a good source to track when examining economic changes. Consumer magazines are of general interest and would not address the hospitality and tourism industry specifically.

SOURCE: IM:425

SOURCE: Kotler, P., Bowen, J., & Makens, J. (1999). Marketing for hospitality and tourism (2nd ed.)

[pp. 133-135]. Upper Saddle River, NJ: Prentice Hall.

Morrison, A.M. (2002). Hospitality and travel marketing (3rd ed.) [p. 23]. Albany, NY:

Delmar/Thomson Learning.

Sales records. By analyzing the hotel's sales records, a hotel can identify trends in their business quests' buying behavior. For example, they might determine types of rooms requested and services used while at the hotel. Focus groups, test markets, and surveys do not capture actual buying behavior that can be examined over a period of time.

SOURCE: IM:349

SOURCE: Edwards, B. (2004). Credit management handbook (p. 162). Burlington, VT: Gower

Publishing Company.

47. D

3.4. The mean is the average of the values within a sample. If the values range from 1 to 6, the mean is the average of the respondents' ratings. To calculate mean, first multiply the number of respondents by the value of their rating (30 x 1 = 30; 82 x 2 = 164; 114 x 3 = 342; 96 x 4 = 384; 67 x 5 = 335; 31 x 6 = 186). Then, add the values and divide by the number of respondents (30 + 164 + 342 + 384 + 335 + 186 = 1,441; 1,441 / 420 = 3.43 or 3.4). In this example, 3.4 is the mean rating for the quality of service based on a scale of 1 to 6.

SOURCE: IM:416

SOURCE: Hair, J.F., Jr., Bush, R.P., & Ortinau, D.J. (2000). Marketing research: A practical approach

for the new millennium (p. 526). Boston: Irwin/McGraw-Hill.

48. B

Highlight key findings. When presenting findings orally, marketing researchers should not waste time on the specifics of the research study. However, they must clearly communicate highlights of the key findings. Without this information, the decision makers will not be able to make decisions to benefit the company. Although graphic presentation of data is helpful, it is not essential. Explaining the statistics used to obtain the results would provide information that is too detailed. Not all research studies use both primary and secondary data.

SOURCE: IM:391

SOURCE: Morrison, A.M. (2002). Hospitality and travel marketing (3rd ed.) [p. 151]. Albany, NY:

Delmar/Thomson Learning.

49. A

Image. Promotion is a marketing function that communicates information about goods, services, images, and/or ideas to achieve a desired outcome. Businesses often develop promotional campaigns to create a certain image or to improve an existing image. The purpose of creating a favorable image is to increase sales. Businesses do not use promotional campaigns to create or improve credit or safety, which are business activities. Displays may be part of a promotional campaign.

SOURCE: MK:002

SOURCE: MK LAP 1—Work the Big Six (Marketing Functions)

50. D

Services are usually produced and consumed at the same time. Because of the immediate nature of services, there is usually no time between when they are produced to when they are consumed. This makes it impossible to store services for use when demand is higher. Products and services have differing prices, and one can cost more than the other in any given situation. Services are intangible, and products are tangible. Product consistency is important with both services and products.

SOURCE:

SOURCE: Czinkota, M.R., & Kotabe, M. (2001). Marketing management (2nd ed.) [p. 396]. Mason,

OH: South-Western.

51. C

Trip purpose. Either business or leisure defines the most common marketing segment. Income level and life stage are part of demographics, and geographic area is considered in geographics.

SOURCE: MP:034

Chon, K., & Sparrowe, R. (2000), Welcome to hospitality: An introduction (2nd ed.) [p. 129]. SOURCE:

Cincinnati: South-Western.

52. B

Everyone in the organization. Everyone in the organization is responsible to do his/her part to contribute to appropriate information management. This includes, but is not limited to, the information management department, an information technology manager, and the chief executive officer.

SOURCE: NF:110

SOURCE: NF LAP 3—In the Know (Nature of Information Management)

53. B

Robotics. Robotics is a mass production technique in which robots carry out the repetitive tasks that workers would find monotonous and tiring. Web feeds refer to the on-demand distribution of information, usually sent to a personal web site or blog, as it becomes available on the Web. A business uses a satellite-tracking system to monitor the transportation route of products in real time. Webcasts are sound or video bites that are transmitted to personal computers through the World Wide Web.

SOURCE: NF:003

SOURCE: Ivancevich, J.M., & Duening, T.N. (2007). Business principles, guidelines, and practices

(2nd ed.) [pp. 248-249]. Mason, OH: Thomson.

54. C

Can be forwarded to others. When employees write e-mail messages to coworkers or customers, the recipients of the messages can forward them to others without the sender's knowledge or permission. Therefore, employees should be cautious about the content of e-mail messages because they have no control over what the recipients do with the e-mails. It is best not to include personal or sensitive information in e-mails, particularly if the sender wants the information to remain private. E-mail messages are not private conversations, do not take a long time to prepare, and are not considered formal correspondence.

SOURCE: NF:004

SOURCE: Locker, K.O. (2000). Business and administrative communication (5th ed.) [pp. 164-165].

Boston: Irwin/McGraw-Hill.

55. C

To create text documents. Most word-processing software programs are designed to be used to create text documents, although some have limited graphic capabilities. Businesses use word-processing software programs to write letters, memos, reports, business plans, and sales contracts. There are many different word-processing software programs available that enable businesses to create, edit, and store important text documents. Spreadsheet software programs are used to organize numerical information. Database software programs are used to maintain customer lists and catalog personnel records.

SOURCE: NF:007

SOURCE: Farese, L. S., Kimbrell, G., & Woloszyk, C. A. (2009). Marketing essentials (p. 199).

Woodland Hills, CA: Glencoe/McGraw-Hill.

56. B

Productivity. Productivity is the amount of work employees perform in a given time period. Collaborative computer software allows many employees to access the same business information. Some applications, such as e-mail, allow employees to instantly transmit messages and business documents to coworkers who are traveling or working in other facilities, which can facilitate a quick response. Quick responses can increase an employee's productivity because the employee can take immediate action and then proceed to work on other tasks. Collaborative computer software does not necessarily increase an employee's independence or motivation because other factors can affect a person's independence (e.g., type of job) and motivation. The business, rather than its employees, receives the profit that might result from increases in the employees' productivity.

SOURCE: NF:011

SOURCE: Sheldon, T. (n.d.). Groupware. Retrieved June 10, 2009, from

http://www.linktionary.com/g/groupware.html

Storing them in a safe environment. Records need to be maintained in a safe physical environment to protect them from damage or destruction. Businesses often protect their records by storing them in fireproof safes, fire-resistant cabinets, or moisture-controlled rooms. Because technology is constantly evolving, many people believe that videotapes are outdated, if not obsolete. Insufficient information is provided to determine whether the business office offers a safe environment. In addition, vital records may be kept in areas other than the business office. Filing records in cardboard boxes is not safe because cardboard boxes may be destroyed by fire or water.

SOURCE: NF:001

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

58. D

To obtain useful information. Statistical findings need to be interpreted in order to convert them to useful information. Simply gathering statistics, which are data presented in numerical form, is not helpful unless a business analyzes them and converts them to useful information. For example, it is not useful to know that 500 customers buy a certain product unless the business also knows the total number of potential customers and what percentage of the potential customers are current customers. Perhaps 500 seems like a strong customer base, but that is not the case if the potential is 10,000. Businesses often use statistical findings to develop charts and tables and calculate the median. However, those are not reasons why the business interprets them. Businesses do not interpret statistical findings to organize a database.

SOURCE: NF:093

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (pp. 170-171). New

York: Glencoe/McGraw-Hill.

59. D

Rely less on the use of travel agencies for business. The Internet has made it possible for individuals to bypass travel agencies by checking on room availability and making their own reservations online. This is beneficial for properties because they don't have to pay as many sales commissions to travel agencies. The number of guest reservations that need to be processed so that guests can be assigned a room upon check-in remains the same, regardless of whether the reservation was made online or offline. The property still needs to communicate important information about reservations, including a confirmation number, through e-mail or by other means. The number of individuals needed to staff the front desk is not affected by an online reservations system, although the number of reservation clerks required to take telephone reservations might be.

SOURCE: NF:060

SOURCE: Vallen, G.K., & Vallen, J.J. (2000). Check-in: Check-out (6th ed.) [pp. 116-117]. Upper Saddle

River, NJ: Prentice Hall.

60. D

Production planning. The foundation of the operations function is production planning, since most other operations activities are based on decisions made during this step. In production planning, a business determines its operating system, which in turn dictates what is needed for maintenance, repairs, purchasing, quality control, etc.

SOURCE: OP:189

SOURCE: OP LAP 3—Smooth Operations (Nature of Operations)

61. C

Hazards in the workplace. OSHA's purpose is to prevent employee injuries and deaths by insisting that businesses maintain safe, hazard-free workplaces. The agency's inspectors visit businesses to see that the government's safety and health regulations are being followed. OSHA does not deal with natural risks, unemployment, or employee theft.

SOURCE: OP:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 128). New

York: Glencoe/McGraw-Hill.

62. C

An unsafe environment. An unsafe environment may result from poor housekeeping, fire hazards, or a lack of safety equipment. OSHA rules are intended to make the workplace safe. Being safety-conscious helps to prevent accidents. A job transfer would not be the direct cause of an accident. However, a newly transferred worker should receive training in safety on the new job.

SOURCE: OP:009

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 724). New

York: Glencoe/McGraw-Hill.

63. C

Padding an expense account. Employee pilferage involves the taking of small amounts or small articles without the consent of the company. That is what occurs when an employee pads his/her expense account. Changing the amount specified on a check is an example of fraud. Installing personally owned software on your computer at work is against most companies' policies; however, it does not represent employee pilferage. Hacking into your company's computer to obtain trade secrets is a computer crime. Since losing trade secrets can be very costly to the company, it does not qualify as pilferage.

SOURCE: OP:013

SOURCE: Chapter 10: White collar crime: Occupational and corporate crime. Retrieved September 18,

2009, from http://www.sagepub.com/haganstudy/outlines/Ch10_Outline.doc

64. D

The profit margin for donuts will increase. If Annika reduces the materials' cost of Dottie's donuts, the profit margin for the donuts will increase, not decrease. As long as Dottie does not lower the price of donuts, using less expensive sugar will not have an impact on donut sales.

SOURCE: OP:015

SOURCE: OP LAP 2—Buy Right (Purchasing)

65. C

Break-even point. The break-even point is the level of sales at which revenues equal total costs. Businesses calculate the break-even point to select the most appropriate price at which to sell their goods. A business needs to make sure that the price is sufficient to cover all expenses and make a profit. Trade-in allowance is a price reduction offered for selling back an old model of the product being purchased. A sales-volume quota is a quota based on sales or some aspect of sales volume. Prime-interest rate is the rate of interest banks charge their best customers.

SOURCE: OP:024

SOURCE: Soloman, M. R., Marshall, G. W., & Stuart, E. W. (2008). Marketing: Real people, real

choices (5th ed.) [pp. 345-348]. Upper Saddle River, NJ: Pearson Prentice Hall.

66. D

Preventive. Preventive maintenance involves regularly inspecting and servicing equipment to locate and correct potential problems. Routinely servicing operating equipment costs a business money, but it also helps to prevent breakdowns that may be more expensive to repair. Breakdown maintenance involves repairing broken equipment. Replacement involves buying new equipment. Emergency maintenance usually occurs once equipment has broken down.

SOURCE: OP:032

SOURCE: Berman, B., & Evans, J.R. (2004). Retail management: A strategic approach (9th ed.)

[pp. 318-319]. Upper Saddle River, NJ: Prentice Hall.

67. C

Protect People First. A key security issue is to protect store personnel and any customers who might be on hand. People are the priority rather than protecting property or prosecuting offenders. Stores are not always able to hire off-duty police to protect the premises.

SOURCE: OP:113

SOURCE: Meyer, E.C., & Allen, K.R. (2000). Entrepreneurship and small business management:

Teacher's manual (2nd ed.) [p. 381]. Woodland Hills, CA: Glencoe/McGraw-Hill.

68. D

Follow appropriate emergency procedures. Motels must be prepared to handle emergencies if they occur. Depending on the property's geographic location, the property might be more likely to experience some emergencies (e.g., earthquakes, floods) than others. And because the effects of natural disasters differ from one another, motels should have procedures for the various types of emergencies they are likely to encounter. A motel should thoroughly explain to employees the procedures for each emergency it might face. By preparing employees for each type of emergency, the employees can better respond and get guests, themselves, and coworkers out of harms way. The sprinkler system usually goes off automatically when fires occur. Calling medical professionals and administering first aid may or may not be necessary and depends on the type of emergency at hand.

SOURCE: OP:119

SOURCE: Stutts, A.T., & Wortman, J.F. (2006). Hotel and lodging management: An introduction

(2nd ed.) [pp. 201-202]. Hoboken, NJ: John Wiley & Sons, Inc.

69. C

Abide by the dress policies of the employer. Appropriate business attire varies according to the type of business, and each employee must determine what is expected in his/her job. Appropriate clothing does not necessarily have to be expensive. Personal taste should be expressed in clothing selected for personal activities. Businesswear should be accessorized with a minimum amount of jewelry.

SOURCE: PD:002

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

70. D

Set a time limit for reaching the goal. Setting a time by which you want to achieve a goal means you are less likely to put off your efforts to reach the goal. There is something about a time limit that gets people going and keeps them moving. Your goal should be honest and specific, but those characteristics will not keep you from putting off your efforts to reach the goal. No one can evaluate your commitment to your goal except you.

SOURCE: PD:018

SOURCE: PD LAP 16—Go For the Goal (Goal Setting)

71. D

Period of incubation. To come into being, most creative ideas need a period of incubation. Putting a problem or an idea aside for a day or two can give you the fresh perspective you need for a breakthrough. The length of the incubation period will vary depending on the people involved and the nature of the ideas. For creative ideas to flourish, people also need cooperation from others rather than extensive criticism. Thinking in a nonconformist way also helps to improve creativity.

SOURCE: PD:012

SOURCE: PD LAP 2—Creativity

72. D

Administrative services. An employee who answers phone calls and manages the office schedule works in administrative services. Employees working in administrative services facilitate business operations through a wide range of duties, including information and communication management, data processing and collection, and project tracking. These positions are often referred to as support staff positions. This employee would not be working in operations management, corporate/general management, or human resource management. Employees working in operations management focus on planning, organizing, coordinating, and controlling the resources needed to produce/provide a business's goods and/or services. Careers in corporate/general management focus on planning, organizing, directing, and evaluating part or all of a business organization through the allocation and use of financial, human, and material resources. Human resource management careers focus on the staffing activities that involve planning, recruitment, selection, orientation, training, performance appraisal, compensation, and safety of employees.

SOURCE: PD:025

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

73. C

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. (2003). Working: Career success for the 21st century (3rd ed.) [pp. 49-51].

Mason, OH: South-Western.

74. B

The chamber of commerce because local chapters are often involved in special sales-promotion events. The Chamber is a nonprofit organization dedicated to facilitating community leadership to create economic prosperity. The purpose of the National Restaurant Association is to provide services to the restaurant industry at the national level and is not involved with local events. The same is true with the Hospitality and Tourism Association. The mall, while possibly being involved with the summer festival, is more concerned with bringing customers to the mall and not just to the restaurant, if the restaurant is located within the mall.

SOURCE: PD:036

SOURCE: Nashville Area Chamber of Commerce. (2009). About the chamber. Retrieved September

18, 2009, from http://www.nashvillechamber.com/membership/about/index.html

75. D

Join a professional trade association. Most segments within the hospitality industry (e.g., travel agents, hotels, restaurants, intermediaries) have organizations that provide research, educational, and promotional information as well as current trends. Most organizations charge membership fees to belong. The fees can be used to develop programs and conduct research. Information can be communicated by meetings, seminars, newsletters and web sites. These organizations also provide leverage and input regarding legislation pertaining to the hospitality industry. A motivational speaker might encourage the manager to succeed on the job but does not necessarily provide detailed industry-related information. Training manuals are written documents that outline procedures to complete tasks; they do not provide industry trends, education, and promotion information. An assessment consultant who evaluates staff does not necessarily have information regarding trends, education, and promotion within the hospitality industry.

SOURCE: PD:061

SOURCE: Kaser, K., & Freeman, J.T. (2002). Hospitality marketing (pp. 294-295). Mason, OH: South-

Western/Thomson Learning.

76. C

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

SOURCE: PD:111

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

NJ: Prentice Hall.

Price. Demand is the quantity of a good or service that buyers are ready to buy at a given price at a particular time. Demand has a significant effect on the price of travel and tourism products because if demand is high, prices often increase because travelers are willing to pay more to obtain the products they want. For example, if demand for a cruise is high during certain times of the year, the price of cabins will increase because there are many travelers who want to book passage on that cruise. On the other hand, prices usually decrease as demand decreases because fewer travelers want to buy travel products. Demand does not have a significant effect on the availability, quality, or source of travel and tourism products.

SOURCE: PI:039

SOURCE: Morrison, A.M. (2002). Hospitality and travel marketing (3rd ed.) [pp. 514-518]. Albany, NY:

Delmar/Thomson Learning.

78. C

To set it apart from competitors. Positioning is a product mix strategy in which a business creates a certain image or impression of a product in the minds of consumers. For a new product, businesses often try to develop a unique positioning concept that will set the new product apart from competitors. For example, the new product may have features that competing products do not have. These features make the product unique so the business can position the product based on its unique features. Businesses do not develop a unique positioning concept for a new product to monitor its growth stage, to create an original marketing plan, or to identify innovative objectives.

SOURCE: PM:228

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (pp. 645-646). New

York: Glencoe/McGraw-Hill.

79. C

Four. If one turkey serves 15 people, then two turkeys will serve 30 people, three turkeys will serve 45 people, and four turkeys will serve 60 people. The restaurant should purchase four turkeys because it plans to serve 50 customers which is five more people than three turkeys will serve.

SOURCE: PM:261

SOURCE: Mill, R.C. (2001). Restaurant management: Customers, operations, and employees (2nd ed.)

[p. 211]. Upper Saddle River, NJ: Prentice Hall.

80. C

Lodging. The core product in the hospitality industry is lodging, which involves providing overnight sleeping accommodations for guests. The various segments of the hospitality industry offer a range of accommodations including economy, full-service, and resort. Many properties also offer complementary products, such as entertainment, food service, and retailing; however, the main product is lodging. For example, an economy property that provides rooms is selling only the core product, while a resort that has many restaurants, nightly entertainment, and retail shops is selling the core product as well as complementary products.

SOURCE: PM:081

SOURCE: Morrison, A. (2002). Hospitality and travel marketing (3rd ed.) [pp. 256-259].

Delmar/Thomson Learning.

81. C

Shuttle. A resort that is located near a large amusement park might provide shuttle service to transport its guests to the amusement park. Resort guests who arrive by airplane often do not have automobiles to drive to the resort. Therefore, a resort that provides shuttle service to a nearby attraction is meeting a segment of its guests' needs. Courier service usually offers same- or next-day delivery of documents and small parcels; courier service is often used by businesses. Room service is the delivery of food and beverage to a guest's sleeping room or meeting room. Dining service refers to the overall food and beverage operation, which includes the resort's restaurant and banquet facilities. While room service and dining service are not available at all lodging facilities, food and beverage service is usually a standard service rather than a distinct service that large resorts offer.

SOURCE: PM:095

SOURCE: Kaser, K., & Freeman, J.T. (2002). Hospitality marketing (p. 210). Mason, OH: South-

Western.

82. C

High-speed Internet connection. Streaming media are sound, video, or animations that play in real time. E-mail is capable of delivering streaming media when the recipient opens the message or clicks on a "play" button. Streaming media are very expensive to produce, and for it to work properly, the recipient needs a high-speed Internet connection. Therefore, it is not delivered through e-mail very often. Streaming media do not require the recipient to have an unlisted telephone number, a sophisticated computer keyboard, or a complicated operating system.

SOURCE: PR:165

SOURCE: PR LAP 13—E-Mail as a Marketing Tool

83. D

Provide realism. One of the reasons that businesses use color in advertisements is to present their products in an attractive and realistic manner. Readers are attracted to color ads and can identify more easily with products that are depicted in their actual color. The main purpose of using vivid colors in advertisements is to provide realism rather than to offer choices or create balance. Businesses do not want to distract readers from their advertisements.

SOURCE: PR:123

SOURCE: Wells, W., Burnett, J., & Moriarty, S. (2003). Advertising principles & practice (6th ed.)

[pp. 368-369]. Upper Saddle River, NJ: Prentice-Hall.

84. D

Typography. Typography is the effective use of type. However, typography involves more than the type or lettering. It involves the style and size of type as well as the space between letters or words. Typography has a significant effect on the look of an ad and helps to convey a message and express a certain feeling. Therefore, typography is an important part of designing an effective advertisement. Creating a storyboard is an important part of developing a television commercial. Frequency and position are factors to consider when placing print ads.

SOURCE: PR:295

SOURCE: Lane, W.R., King, K.W., & Russell, J.T. (2005). Kleppner's advertising procedure (16th ed.)

[p. 547]. Upper Saddle River, NJ: Pearson/Prentice Hall.

85. D

Databases. A database is computerized storage for information and facts. The use of databases is one way of tracking marketing-communications activities. For example, a business sends out 100,000 promotional letters to customers and receives 25,000 responses. The business maintains a database of the names and characteristics of 100,000 customers as well as information about those who responded. The business can analyze the database to track the effectiveness of the mailing in reaching the target market. Questionnaires, surveys, and interviews are ways of obtaining marketing information rather than ways of tracking marketing-communications activities.

SOURCE: PR:335

SOURCE: Solomon, M.R., & Stuart, E.W. (2000). Marketing: Real people, real choices (2nd ed.)

[pp. 460-461]. Upper Saddle River, NJ: Prentice Hall.

86. B

Printing process. Digital color printing uses computer-based files to print high-quality promotional materials such as advertisements. Digital color is a full-color printing process that often is less expensive than other types of printing processes. It is a process that is being used more frequently because many ads are created on a computer. Digital color is not a type of media strategy, graphic design, or advertising method.

SOURCE: PR:274

SOURCE: Lane, W.R., King, K.W., & Russell, J.T. (2005). Kleppner's advertising procedure (16th ed.)

[pp. 535, 543, 560]. Upper Saddle River, NJ: Pearson/Prentice Hall.

87. D

Benefits. Advertising copy focuses primarily on the benefit that the product creates for the user and tries to convince the consumer that the benefit is unique to the specific brand of product. Features, or characteristics, don't sell products—consumers are more interested in what the product can do for them to make their lives easier or better. Not all products offer a warranty or are expected to offer one. Dependability will only apply to certain products.

SOURCE: PR:126

SOURCE: Czinkota, M.R., & Kotabe, M. (2001). *Marketing management* (2nd ed.) [p. 384]. Mason, OH:

South-Western.

88. D

Press. The account manager should request a press proof that uses halftone film and actual printing inks to give the most accurate proof. Although this is an expensive proof, the account manager recognizes the importance of the large account. Black-and-white laser, blue lines, and Velox proofs will not provide the quality of color needed to assess the proof.

SOURCE: PR:130

SOURCE: Lane, W.R., King, K.W., & Russell, J.T. (2005). Kleppner's advertising procedure (16th ed.)

[p. 558]. Upper Saddle River, NJ: Pearson/Prentice Hall.

89. B

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

SOURCE: PR:315

SOURCE: Solomon, M.R., & Stuart, E.W. (2000). Marketing: Real people, real choices (2nd ed.)

[pp. 133-136]. Upper Saddle River, NJ: Prentice Hall.

90. A

Contribute to the social good. Businesses often identify community issues for company involvement. When considering possible issues, businesses often look for those that will contribute to the social good, such as helping needy families, supporting education, mentoring at-risk teenagers, etc. The intent is to become involved in activities that will improve the community and benefit the citizens. When identifying community issues for company involvement, businesses usually do not consider which ones will earn a reasonable profit, generate positive publicity, or build consumer loyalty. However, as a result of being involved in community activities, a business might receive positive publicity which will help build consumer loyalty and increase profit.

SOURCE: PR:347

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (pp. 135-136). New

York: Glencoe/McGraw-Hill.

91. B

Captioned photograph. A captioned photograph is a picture that is accompanied by written text called a caption. Including a photograph with a print news release can help to get information presented. The print media will sometimes use a news release simply because they like the photograph, or they think it will add interest to a particular page. Businesses should send a thank-you note to the editor after the release is used. Businesses do not include promotional souvenirs or reference lists with a news release.

SOURCE: PR:057

SOURCE: Pride, W.M., Hughes, R.J., & Kapoor, J.R. (2010). Business (p. 447). Mason, OH: Cengage

Learning.

92. C

Confirm that red items have been displayed. The day before a special promotion you should make sure that all the items related to the event are on display. If it's a Valentine's Day promotion, you should make sure that red items are prominently displayed because customers will be looking for those items. The day before a special event is too late to order goods or make sure that ads have appeared in the newspaper. It should not matter whether the salespeople who worked last year are working this year.

SOURCE: PR:068

SOURCE: Meyer, E.C., & Allen, K.R. (2000). Entrepreneurship and small business management:

Teacher's manual (2nd ed.) [p. 209]. Woodland Hills, CA: Glencoe/McGraw-Hill.

93. B

Remove damaged items. Maintaining displays in good condition often involves removing those items that have become damaged or soiled. Over a period of time, the items may be damaged. Damaged items detract from the appearance of the display. The restaurant should remove those items from the display and replace them with new items to maintain the display in good condition. Once a display is constructed, a restaurant would not add new props, change the background, or update the color scheme.

SOURCE: PR:052

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 393). New

York: Glencoe/McGraw-Hill.

94. D

Sans serif. Sans serif means that there are no details or flourishes (feet) on letters and characters in the type style. This style of type is plain and usually is easy to read. Sans serif type may be used in headlines or in ad copy. Graphic is not a characteristic of certain styles of type. Pica is a measurement of type size. Dot pattern is a characteristic of halftones.

SOURCE: PR:326

SOURCE: Lane, W.R., King, K.W., & Russell, J.T. (2005). Kleppner's advertising procedure (16th ed.)

[pp. 547-551]. Upper Saddle River, NJ: Pearson/Prentice Hall.

95. B

Sales promotion. Sales promotion refers to the activities other than advertising, personal selling, and publicity that stimulate customer purchases. Coupons and samples are examples of sales promotion. Institutional advertising refers to any paid nonpersonal message that aims to create a certain image in the eyes of consumers. Opt-in e-mail refers to electronic promotional messages that are sent with a recipient's permission and allow the recipient to request removal from the subscriber list at any time. A trade-in allowance is a price reduction offered for selling back an old model of the product that the customer is purchasing.

SOURCE: PR:121

SOURCE: Silva, K.E., & Howard, D.M. (2006). Hospitality and tourism (pp. 260-263). Woodland Hills,

CA: Glencoe/McGraw-Hill.

96. B

Designate a week for displays to feature souvenirs, videos, and photos pertaining to the tour. Creating such a "theme week" would draw attention to the tour through the use of displays at the agency. Point-ofpurchase displays and themes are one form of customer-oriented sales promotion. Advertising special discounts through outside media and holding a sweepstakes for purchasers are different forms of customer-oriented promotion. Offering incentives to agents is a form of trade-oriented sales promotion.

SOURCE: PR:162

SOURCE: Burke, J., & Resnick, B. (2000). *Marketing & selling the travel product* (2nd ed.) [pp. 211-213].

Albany, NY: Delmar/Thomson Learning.

97. C

Audio-visual needs for the meeting. To determine the customer's meeting-room needs, the hotel's sales staff needs to ask a few general questions about the room's intended use. Then, s/he needs to ask questions focused on who, what, when, where, why, and how. Asking about audio-visual needs is one of the "what's" that needs to be determined so that the customer knows her/his total costs. Inquiring about the customer's budget should wait until a later time. Asking about the attendees' sensitivity to cold rooms would indicate a problem to the customer. Inquiring about other hotels being considered would be rude. The sales staff needs to focus on his/her property, services, and costs.

SOURCE: SE:111

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 285). New

York: Glencoe/McGraw-Hill.

98. D

Customers' needs. Restaurant wait staff often is able to recommend a substitute menu item when the one requested is not available. Although a restaurant's ultimate goal is to sell food, the recommended substitute item should always satisfy customer needs. A waitperson should not substitute menu items just to make a sale. When customers' needs are met, the customers will probably return to the restaurant to eat. Wait staff should not jeopardize satisfying customers' needs in order to satisfy the business's goals, the suppliers' demands, or the owner's requests.

SOURCE: SE:114

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). Marketing essentials (p. 305). New

York: Glencoe/McGraw-Hill.

99. D

Direct. The sales closing technique in which the travel agent asks the customer if s/he is ready to buy is a direct close. A summative close is a sales technique in which the travel agent reviews the features and benefits at the conclusion of the presentation. An incentive, or bonus, close is a technique that offers the customer something extra for buying now. With the assumptive close, the travel agent acts like the sale has been made.

SOURCE: SE:895

SOURCE: Burke, J., & Resnick, B. (2000). Marketing & selling the travel product (2nd ed.) [p. 235].

Albany, NY: Delmar/Thomson Learning.

100. C

During check-in. Hotel employees should inform guests of the hotel's services and amenities during the check-in process. Guests who are not aware that the hotel offers certain services will not use them, which can affect the guests' experience during their stay and can affect the hotel's sales. For example, a guest who does not realize that the hotel has an on-site restaurant will not dine there. As a result, the hotel's food and beverage division loses potential revenue. Advising guests about services during checkout is not beneficial to the guest or to the hotel. Posting is a term that describes adding or subtracting charges to a guest's bill.

SOURCE: SE:221

SOURCE: Vallen, G.K., & Vallen, J.J. (2005). Check-in: Check-out (7th ed.) [p. 292]. Upper Saddle

River, NJ: Pearson Education.