



Competency-Based
Competitive Events
Written Exam
for State/Province Use

Test Number 1311
Booklet Number _____

Business Management and Administration Cluster Exam

BLTDM – Business Law and Ethics Team Decision Making Event

HRM – Human Resources Management Series Event

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

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This comprehensive exam was developed by MBA Research exclusively for DECA's 2024-2025 Competitive Events Program. Items have been randomly selected from the MBA Research Test-Item Bank and represent a variety of instructional areas. Performance indicators for this exam are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided to the DECA chartered association advisor.



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1. Which of the following is an example of a digital asset that a company might have:
 - A. Social media posts
 - B. Company stock
 - C. Computer keyboards and monitors
 - D. Manufacturing equipment
2. Which of the following supply chain issues is primarily a result of globalization:
 - A. Companies need to personalize products and packaging to appeal to multiple customer segments.
 - B. Supply chain networks are much smaller and less complex than they were in previous eras.
 - C. Members in a supply chain need to have a clear understanding of how the larger network operates.
 - D. It is easier than ever for companies to differentiate their products from the competition.
3. Pooja is a financial analyst taking part in a group discussion about the operations of her company. Pooja stays quiet during most of the meeting but is very vocal when the discussion focuses on how to save on operating costs. Which of the following is Pooja doing to contribute to a successful group discussion:
 - A. Adopting a laid-back attitude
 - B. Being rigid about others' ideas
 - C. Only speaking if knowledgeable on the topic
 - D. Controlling the entire discussion
4. An individual who likes to keep track of information, such as facts and statistics, should consider an occupation that involves working with
 - A. people.
 - B. equipment.
 - C. things.
 - D. data.
5. Over the years, Malcolm has implemented strategies that help him perform and complete a work activity more efficiently. The department manager has asked Malcolm to write down the steps of the process so that the instructions will be available for coworkers and employees in the future. This is an example of
 - A. confidential information.
 - B. data procurement.
 - C. project management.
 - D. knowledge codification.
6. A hotel discovers that 60% of consumers prefer to book directly with a hotel versus via an online travel agency (OTA) listing with the same price. The hotel's research findings also indicate that 55% of consumers still prefer to book directly with a hotel when the hotel option is up to 20% higher than the price listed on an OTA site. Based on this information, which of the following business strategies should the hotel adopt to increase direct hotel bookings and maintain its profitability:
 - A. Increase direct hotel room rates 30% to ensure the hotel is profitable
 - B. Gather consumer opinions about the hotel's booking process to improve it
 - C. Gather consumer opinions about the hotel's amenities to improve them
 - D. Discontinue business relationships with OTAs to increase direct booking rates

7. What type of partnership arrangement might restrict a partner's liability?
- A. "S"
 - B. Limited
 - C. Franchise
 - D. Close
8. Capital goods reflect the state of _____ that exists in society.
- A. motivation
 - B. goodwill
 - C. technology
 - D. farmland
9. MOST, PESTLE, and SWOT are all types of
- A. standards-setting organizations.
 - B. business analysis techniques.
 - C. international governing entities.
 - D. supply chain management approaches.
10. Which of the following is a characteristic of an organization that has a positive culture:
- A. Limits recognition
 - B. Respects different ideas
 - C. Controls all activities
 - D. Demands agreement
11. Simone needs to update a customer's credit card information in the company's internal database. How should Simone obtain this information?
- A. Email the customer and request that they respond with the information
 - B. Call the customer and ask them to verbalize the information
 - C. Text the customer to ask that they take a picture and text the information
 - D. Request the customer write down and mail the information
12. If you are implementing change on a wider scale, in which stage of the PDCA (Plan-Do-Check-Act) cycle are you?
- A. Plan
 - B. Check
 - C. Act
 - D. Do
13. What is needed to maintain collaborative relationships with suppliers?
- A. Complete disclosure of information
 - B. Different goals and objectives
 - C. A comprehensive request for proposal
 - D. Effective conflict-resolution skills

14. A budget is a tool that a manager uses to control the business's
- A. productivity.
 - B. finances.
 - C. effectiveness.
 - D. information.
15. Identifying and eliminating defects that cause variations in quality is the primary goal of
- A. behavior modeling.
 - B. Six Sigma.
 - C. "Big Q."
 - D. acceptance sampling.
16. Consensus building creates high-quality solutions because
- A. some people have more power than others.
 - B. only a few ideas are considered.
 - C. everyone has a unique perspective.
 - D. it is very time-consuming.
17. How does self-control help you think clearly?
- A. By helping you be defensive
 - B. By helping you deal with criticism
 - C. By helping you keep a positive attitude
 - D. By helping you be objective
18. Mediating conflict, resolving issues, and providing feedback are all components of
- A. conducting a post-implementation review.
 - B. managing a project team.
 - C. documenting team progress.
 - D. completing a work breakdown structure.
19. Which of the following is a way to break down a large work task into smaller easy-to-understand steps that, when completed, will result in the completion of the task:
- A. Entrepreneurial thinking
 - B. Process thinking
 - C. Creative thinking
 - D. Critical thinking
20. Reviewing activity status reports helps a project manager
- A. develop specifications.
 - B. control the project.
 - C. determine project scope.
 - D. create barriers.

21. What type of accounting method is your company using if it records sales as they happen, even if no money changes hands then?
- A. Income
 - B. Cash
 - C. Accrual
 - D. Credit
22. Which of the following statements about data analytics is true:
- A. Prescriptive analytics recommend specific courses of action.
 - B. Descriptive analytics provide forecasts of the future.
 - C. Descriptive analytics recommend specific courses of action.
 - D. Predictive analytics provide descriptions of the past.
23. Nate was supposed to bring his report card back to school, signed by a parent. After forgetting 3 days in a row, his teacher gave him a detention. Nate doesn't complain about it because he knows he didn't follow the teacher's directions. Which of the following steps for following directions does this situation illustrate:
- A. Not rushing
 - B. Accepting responsibility
 - C. Noting key words
 - D. Knowing when to speak
24. The recommendations section of a well-written research report should be based on
- A. the research findings.
 - B. the researcher's values.
 - C. psychological theories.
 - D. customary opinions.
25. Tyrone, a new employee, had to attend daily training sessions for his first two weeks on the job. He learned a lot about the company and his new role, but he didn't retain much of it over time. This example demonstrates that
- A. training sessions are useless for most employees.
 - B. learning and knowledge are the same thing.
 - C. learning doesn't always lead to knowledge.
 - D. knowledge is fleeting and hard to hold onto.
26. Which of the following items would a clothing manufacturer classify as raw materials inventory:
- A. Thread, zippers, and sewing machines
 - B. Cloth, zippers, and shirts
 - C. Zippers, sewing machines, and cloth
 - D. Buttons, cloth, and thread
27. A large manufacturing company realizes that it has too many middle managers who are slowing down production. This is an example of which of the following phases of the managerial organizing process:
- A. Assigning tasks
 - B. Delegating authority
 - C. Coordinating activities
 - D. Evaluating results

28. Which of the following is an example of a risk that is unique to international expansion:
- A. The relationship between the foreign government and business
 - B. The threat of digital security breaches
 - C. The potential to grow brand awareness
 - D. The potential for losing money on the investment
29. Which of the following is a benefit of project planning:
- A. Setting an appropriate time frame
 - B. Monitoring your project
 - C. Asking yourself important questions
 - D. Coordinating all of the parts of the project
30. Shawn is working on a project but finds himself overwhelmed with everything needed for the project to be successful. Before beginning work, Shawn wants to lay out all project milestones and deliverables. What should Shawn create?
- A. A statement of work
 - B. An issue log
 - C. A work breakdown structure
 - D. A scope statement
31. Which of the following directly results from a business with an efficient supply chain:
- A. Higher salaries
 - B. Higher customer demand
 - C. Lower overhead costs
 - D. Less inventory
32. PRD Manufacturing quickly realigned its production processes to meet a sudden rise in customer demand for its products. What characteristic of an adaptable organization did the manufacturing company exhibit?
- A. Agility
 - B. Competitive aggression
 - C. Innovation
 - D. Cultural intelligence
33. Which of the following is a reason why businesses try to control expenses to purchase the most modern equipment:
- A. To offer good benefits
 - B. To spend excess cash
 - C. To remain competitive
 - D. To satisfy suppliers
34. Zoe noticed that her coworker Tom has been performing a work activity incorrectly. Zoe hasn't corrected Tom because she wants her manager to think she is more competent than Tom. Can Zoe's behavior negatively impact her employer?
- A. No. Zoe knows that Tom's errors do not affect customer relationships.
 - B. No. Zoe is not a manager and should not train Tom.
 - C. Yes. Zoe is violating a procedural law.
 - D. Yes. Tom's errors could be costly to the company.

35. To maintain a hazard-free work environment, local regulations might require businesses to undergo
- A. security analyses.
 - B. accounting audits.
 - C. safety inspections.
 - D. ethics training.
36. Javier's company uses a knowledge-management system. Because of it, he knows that an important client would like to choose from a greater selection of products. He offers the client a new and bigger product selection, including some products with a greater profit margin for the company. This example illustrates which influencing factor in knowledge management:
- A. Turnover
 - B. Enhanced value
 - C. Innovation
 - D. Globalization and competition
37. What is the primary purpose of developing a post-implementation review during the closure phase of a project?
- A. To determine if the deliverables achieved project goals
 - B. To document necessary changes for future projects
 - C. To formally release all resources from the project
 - D. To archive all project documentation
38. Which of the following would probably result if a business reduced its marketing costs:
- A. Increased costs of production
 - B. Decreased need for customer contact with businesses
 - C. Increased consumer awareness of goods and services
 - D. Decreased variety of consumer goods
39. When emailing large files or documents to coworkers or customers, a businessperson sends them
- A. as reply messages.
 - B. in text boxes.
 - C. as attachments.
 - D. in codes.
40. Hassan's business is committed to constantly seeking new ways to make its processes and products more efficient. Recently, the business adopted a new delivery system that helps customers receive their online orders in half of the time. This is an example of what aspect of quality management?
- A. Quality control
 - B. Quality improvement
 - C. Quality assurance
 - D. Quality deterrent

41. The Tafoya Company has discovered that the Bremen Company illegally used Tafoya's trademark. To pursue a legal case for financial compensation, what should Tafoya's legal counsel do first?
- A. File a formal complaint to the court alleging the Bremen Company's illegal use of the Tafoya trademark
 - B. Conduct an examination of discovery to interview all parties involved in the illegal use of the Tafoya trademark
 - C. Issue a summons requiring the Bremen Company to respond to allegations of misusing the trademark
 - D. Request that a pretrial conference date be set to clarify all the legal issues that will be discussed during the trial
42. You enjoy talking to people and have great public speaking skills. Which type of business management career should you consider:
- A. Human resources
 - B. Business analytics
 - C. Supply chain
 - D. Operations
43. Which of the following is an example of risk management:
- A. Treating others with respect
 - B. Following all the rules and procedures
 - C. Checking that a product works the way it is supposed to
 - D. Developing an alternative plan in case of technology failure
44. Which of the following is an advantage of a supply chain's ability to adjust internal inventory levels:
- A. It significantly reduces transportation costs.
 - B. It no longer needs to monitor inventory levels.
 - C. It develops better supplier relationships.
 - D. It can respond to changes in the marketplace.
45. The first step in the managerial control process is
- A. measuring performance.
 - B. taking corrective action.
 - C. determining standards of excellence.
 - D. comparing performance with standards.
46. Talia has been putting aside a portion of her paycheck each month. Now, she has enough saved to take a relaxing beach vacation. This is an example of how
- A. spending money on unnecessary purchases is risky.
 - B. you can only save when you've reached a certain income level.
 - C. your emergency fund can be used in many ways.
 - D. saving money benefits your overall well-being.
47. One of the drawbacks of communicating without words is that it is
- A. sometimes misunderstood.
 - B. not effective.
 - C. hard to learn.
 - D. too precise.

48. Which of the following change management strategies should a company first implement if employees are intimidated by and afraid of change:
- A. Enable and sustain change
 - B. Reflect on change
 - C. Avoid making changes
 - D. Create a climate for change
49. Frankie used her business's most recent cash-flow statement to determine how much money the business had left over after subtracting its capital expenditures from its operating cash flow. What did Frankie calculate?
- A. Amortization
 - B. Free cash flow
 - C. Working capital
 - D. Profit
50. The desire for friendship belongs in which of the following categories:
- A. Opportunity cost
 - B. Capital good
 - C. Noneconomic want
 - D. Service
51. Which of the following is an advantage of weak currency:
- A. It makes buying imports cheaper.
 - B. It boosts exports.
 - C. It improves global perception of the domestic economy.
 - D. It inhibits business expansion into foreign markets.
52. A manager places a classified advertisement for a new accounting position in the local newspaper. The manager is performing the _____ function of management because they are _____ new employees.
- A. staffing; recruiting
 - B. directing; acquiring
 - C. planning; hiring
 - D. controlling; monitoring
53. High levels of apathy, low levels of creativity, and poor job performance are all characteristics of _____ conflict.
- A. adaptable
 - B. positive
 - C. dysfunctional
 - D. functional
54. To prevent security breaches by disgruntled employees, a business can
- A. immediately terminate accounts that are no longer in use.
 - B. use strong passwords on all accounts.
 - C. install antivirus software.
 - D. make sure all employees are happy with the company.

55. As employees go about their daily activities, their actions should be driven by whether they will
- A. benefit the workforce.
 - B. result in customer satisfaction.
 - C. be witnessed by customers.
 - D. result in additional sales.
56. When traveling to certain countries for a long-term business assignment, you will need to have _____, which is an official document that temporarily authorizes you to be in that country.
- A. travel insurance
 - B. proof of citizenship
 - C. a permanent resident card
 - D. a visa
57. Human, regulatory, technological, and environmental factors are most likely to influence the design of
- A. business processes.
 - B. office visitation guidelines.
 - C. project due dates.
 - D. employee leave policies.
58. What is one way that employees can help their companies protect digital assets?
- A. Send out emails to update everyone on security policy changes
 - B. Follow company policies about giving out personal information
 - C. Download documents from unevaluated websites
 - D. Share passwords with everyone in the company
59. Kevin is planning to paint a house. He draws a simple graph that shows the sequence of tasks that will be done from beginning to end of the project. For example: 1) Buy supplies, 2) Prepare house for painting, 3) Paint house, and so on. This is an example of a
- A. work breakdown structure.
 - B. project charter.
 - C. scope management plan.
 - D. network diagram.
60. On what type of purchase order are you most likely to find the following information:
- This order covers the MRE Manufacturing Company's purchase of ½" rubber gaskets, Model # 62376 metal washers, and "Y" PVC piping beginning April 10, 2023 through March 31, 2025. The prices stated in your quotation dated January 31, 2021 are effective until March 31, 2025.
- A. Blanket
 - B. Custom
 - C. Service
 - D. Referral

61. Emma recently wrote an in-depth report on how her company can better reach millennial customers. Her report included an assessment of the company's current relationship with millennials as well as what steps the organization should take to improve the relationship. In other words, Emma wrote a(n) _____ report.
- A. analytical
 - B. financial
 - C. data-based
 - D. informational
62. In which of the following situations is a settlement most likely to occur:
- A. A defendant feels they have a strong chance of winning.
 - B. A struggling company wants to gain publicity.
 - C. A small company does not have the funds to go to court.
 - D. A complicated case involves multiple defendants.
63. The implementation of digital warehouse management systems is an example of how technology can impact _____ management.
- A. financial
 - B. employee
 - C. human resource
 - D. supply chain
64. Which of the following is the most important consideration in selecting a banking institution:
- A. The bank's ability to meet your current financial needs
 - B. The bank's ability to help plan your future financial needs
 - C. The bank's broad range of services
 - D. The bank's capacity to be financially profitable
65. An ethical purchasing department works with vendors that
- A. encourage unpaid overtime.
 - B. provide safe working conditions.
 - C. use materials from endangered habitats.
 - D. prioritize speed over quality.
66. Businesses often monitor internal inventory records to obtain the information needed to
- A. organize new displays.
 - B. plan special sales.
 - C. evaluate vendors.
 - D. create safety rules.
67. Which of the following factors affecting personal appearance includes nutrition:
- A. Health
 - B. Grooming
 - C. Dress
 - D. Self-concept

68. Serena is determining the specific activities needed to carry out a year-long advertising campaign. Serena is engaged in _____ planning.
- A. strategic
 - B. long-term
 - C. contingency
 - D. tactical
69. Which of the following is a barrier to effective listening:
- A. Concentration
 - B. Open-mindedness
 - C. Distractions
 - D. Empathy
70. What do risk retention groups and captive insurers have in common?
- A. They can both be headquartered anywhere in the world.
 - B. They are both forms of self-insurance.
 - C. They both only write liability coverage.
 - D. They both require a license in every state in which they operate.
71. Which of the following is an example of gathering information before making a decision:
- A. Asking questions
 - B. Watching movies
 - C. Writing letters
 - D. Reading novels
72. Gloves, computers, and office supplies are examples of
- A. MRO goods.
 - B. transit inventory.
 - C. intangible inventory.
 - D. raw materials.
73. Businesspeople are often unwilling to share tacit knowledge with coworkers when
- A. economic conditions stabilize.
 - B. work relationships are interdependent.
 - C. job security is an issue.
 - D. management encourages collaboration.
74. Which of the following are recorded chronologically when a change is made in a database and for any subsequent data changes:
- A. Timestamps
 - B. Queries
 - C. Changed data
 - D. Corrections

75. Which of the following actions can help a person develop empathy:
- A. Avoiding criticism
 - B. Eliminating stereotypes
 - C. Eliminating sympathy
 - D. Forming strong opinions
76. When you compliment someone's efforts even though the results weren't so good, you are likely to
- A. discourage them from trying again.
 - B. motivate them to keep working hard.
 - C. provide them with a false sense of success.
 - D. decrease their motivation to keep working hard.
77. What technological tool can help businesses understand the types of knowledge that employees need to perform their jobs efficiently?
- A. Systems register
 - B. Probability chart
 - C. Accountability matrix
 - D. Navigation log
78. When negotiating with a vendor, it is important to
- A. act as quickly as possible.
 - B. reject compliments.
 - C. prepare ahead of time.
 - D. use deception tactics.
79. Which of the following statements about quality management is true:
- A. It deals solely with products and services.
 - B. It integrates quality into every aspect of a company.
 - C. It only applies to specific departments.
 - D. It isn't important to meet customer expectations.
80. Which of the following is a possible consequence of having one's identity stolen:
- A. Unemployment
 - B. Need for new identity
 - C. Damage to credit history
 - D. Homelessness
81. When developing a personal budget, which of the following is typically a variable expense:
- A. Grocery bills
 - B. Car payments
 - C. Phone bills
 - D. Rent payments

82. The judge based their legal decision by considering a similar decision made in another court. This is an example of which source of law?
- A. Uniform
 - B. Constitutional
 - C. Statutory
 - D. Case
83. Mitchell is reviewing internal data and proposals from several agencies to determine the best course of action for implementing a major advertising campaign for his company. What is Mitchell analyzing?
- A. Human resources
 - B. Operating schedule
 - C. Financial status
 - D. Promotional needs
84. An unhappy customer wants to return some merchandise to the resort's gift shop. The salesperson listens well and is polite and courteous to the customer. As a result of this professional approach, the customer leaves the business satisfied. This is an example of
- A. building positive customer relations.
 - B. increasing sales through suggestion selling.
 - C. providing quality products.
 - D. reducing employee turnover.
85. Before implementing change, an important step in change management is
- A. reviewing change.
 - B. embedding change.
 - C. creating a vision.
 - D. analyzing results.
86. In which of the following documents is it most appropriate to include an executive summary:
- A. Complex research report
 - B. Six-page case study
 - C. Manuscript outline
 - D. Employee handbook
87. Why is risk modeling important?
- A. It helps businesses proactively respond to potential risks.
 - B. It enables businesses to predict the future with complete certainty.
 - C. It guarantees businesses can mitigate all risks.
 - D. It replaces business expertise and management.
88. Which of the following is a tool that can be used to evaluate project data:
- A. Competitive analysis
 - B. Feasibility analysis
 - C. Gap analysis
 - D. Environmental analysis

89. During the risk management planning stage, companies should
- A. reward ethical behavior.
 - B. focus on internal issues.
 - C. avoid discussing compliance.
 - D. assess their ethical needs.
90. A business might ask its employees to sign a nondisclosure agreement to
- A. protect its trade secrets.
 - B. avoid discrimination lawsuits.
 - C. ensure its employees' privacy.
 - D. prevent copyright infringement.
91. A distribution manager is looking through information from the business's supply chain network. While looking through the numbers, the manager realizes that, in a previous order, too few of a product were shipped to one warehouse, and too many went to another. The manager is able to divert a shipment to send more product to the warehouse that has too little product. The manager is using information from the supply chain network to
- A. evaluate store sales performance.
 - B. identify ordering/shipping issues.
 - C. reduce costs.
 - D. increase prices.
92. Which of the following most likely indicates that a manager needs to work on their directing abilities:
- A. Meeting goals
 - B. Adding new staff members
 - C. Missing deadlines
 - D. Communicating regularly
93. As a result of new privacy regulations, businesses that collect or process data have needed to change their processes. This is an example of how businesses often modify processes in response to changes in
- A. technology.
 - B. legal requirements.
 - C. the marketplace.
 - D. customer demand.
94. Which characteristic of a SMART goal does the following statement exemplify?
- Phase one of the project will be completed on May 10, 2025.
- A. Structured
 - B. Time-bound
 - C. Realistic
 - D. Motivational

95. Vincent's project team has a conflict in an emergency situation that must be dealt with immediately. Team members have many differing viewpoints that cannot all be accommodated. As project manager, which conflict resolution strategy should Vincent use?
- A. Collaborate/Problem solve
 - B. Withdraw/Avoid
 - C. Force/Direct
 - D. Compromise/Reconcile
96. Self-understanding is important because the better you understand yourself, the
- A. more success you will have.
 - B. better you'll be at learning new skills.
 - C. more money you will make.
 - D. better prepared you'll be to cope with life.
97. Which of the following is true of arbitration:
- A. It is a cooperative process.
 - B. It is an adversarial process.
 - C. It is more expensive than litigation.
 - D. It usually has a win-win outcome.
98. A limitation to the use of project management software is that it lacks the ability to
- A. make decisions.
 - B. calculate data.
 - C. track changes.
 - D. flag information.
99. Which of the following is an application of knowledge management in the workplace:
- A. A frontline employee doing day-to-day work
 - B. A researcher conducting surveys about an upcoming decision
 - C. A project team leader issuing memos with project updates
 - D. A manager creating a guide on performing a work task
100. Which of the following is an example of people using persuasion in business:
- A. Delivering or distributing goods to a customer on a timely basis
 - B. Presenting the company's annual financial statement to the board of directors
 - C. Requesting product specifications from a vendor or manufacturer
 - D. Distributing a report to company officers that recommends policy changes



KEY

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1. A

Social media posts. A company's digital assets exist only in digital form, often online, in the cloud, or on company servers. Digital assets include social media posts, any company websites or apps, intellectual property, and customer information and contact lists. Computer keyboards, monitors, and manufacturing equipment are also assets, but not digital assets. Although company stock may be bought and sold digitally, the stock itself is not a digital asset. In addition, stock is only an asset for the investors who own that stock.

SOURCE: OP:517 Comply with strategies for protecting business' digital assets (e.g., website, social media, email, etc.)

SOURCE: Murray, J. (2020, July 21). *How to protect your company's digital assets*. Retrieved September 24, 2024, from <https://www.thebalancesmb.com/how-to-protect-company-digital-assets-4153375>

2. A

Companies need to personalize products and packaging to appeal to multiple customer segments. Globalization has resulted in an increasingly "smaller" world where companies serve customers across all continents. Because people in different regions have different tastes, customs, and preferences, companies must now have a variety of supply chain networks to create products that appeal to multiple audiences. Members in supply chains have always needed to have a clear understanding of how the larger network operates; this is not a result of globalization. As a result of globalization, supply chain networks are much larger and more complex than they were in previous eras, not smaller and less complex. It is also more challenging now for companies to differentiate their products from the competition, since the global market has become oversaturated with companies selling very similar products.

SOURCE: OP:480 Discuss global supply chain issues

SOURCE: Jenkins, A. (2024, January 31). *15 key supply chain challenges to overcome*. Retrieved September 24, 2024, from <https://www.netsuite.com/portal/resource/articles/erp/supply-chain-challenges.shtml>

3. C

Only speaking if knowledgeable on the topic. Pooja remains quiet during most of the discussion but takes an active role in the financial part of the discussion because she is knowledgeable of the topic as a financial analyst. Being rigid, controlling the entire discussion, and adopting a laid-back attitude are negative traits and actions that could create an unsuccessful group discussion.

SOURCE: CO:053 Participate in group discussions

SOURCE: Management Study Guide. (2024). *Tips for a successful group discussion*. Retrieved September 20, 2024, from <http://www.managementstudyguide.com/tips-for-successful-group-discussion.htm>

4. D

Data. Individuals should consider what they like to do, their favorite activities, when identifying possible occupations. For example, some individuals like to keep track of information, such as facts and statistics. They enjoy doing mathematical calculations and working with complex or technical ideas. As a result, they should consider an occupation that involves working with data, such as an accountant, statistician, researcher, or website designer. Careers that relate to things involve working with tangible items, such as a landscaper who operates equipment. Careers that involve working with people require a lot of personal interaction.

SOURCE: PD:023 Identify tentative occupational interest

SOURCE: Walters, M. (2024, July 15). *How to choose the right career*. Retrieved September 20, 2024, from <http://www.wikihow.com/Choose-the-Right-Career>

5. D

Knowledge codification. Knowledge codification involves placing knowledge into a format that is accessible to others. In the example, Malcolm has been asked to write down the steps he uses to carry out an activity. By doing so, he is putting his know-how into a written format that others can access when they need it. Malcolm's situation is not an example of confidential information, project management, or data procurement.

SOURCE: KM:005 Identify techniques that can be used to capture and transfer knowledge in an organization

SOURCE: Caulier, A. (n.d.). *Tacit knowledge—How to capture and codify it for your employees*. Retrieved September 24, 2024, from <https://elium.com/blog/tacit-knowledge-how-to-capture-and-codify-for-employees/>

6. B

Gather consumer opinions about the hotel's booking process to improve it. Since price doesn't seem to be the driving factor in consumer choice when booking a hotel, the hotel should gather more information about the hotel's booking process to discover the factors that impact consumers' booking preferences. Gathering consumer opinions about its amenities can help the hotel increase overall business but fails to determine ways to increase direct bookings. Discontinuing business relationships with OTA sites would likely result in a huge decline in overall bookings, which would negatively impact profits. A significant increase of 30% for direct hotel room rates may reach consumers' price thresholds resulting in fewer direct bookings.

SOURCE: NF:216 Translate research findings into actionable business recommendations

SOURCE: Guesty. (2024). *What is an OTA?* Retrieved September 20, 2024, from <https://www.guesty.com/vacation-rental-guide/what-is-an-ota/>

7. B

Limited. A limited partnership permits a partner to invest in a business but have limited liability. For example, the amount of the financial responsibility could be limited to the amount the partner invested. Or, a partner could limit their time involved in managing the business. Close and "S" are types of corporations. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods and services. Since franchises can be proprietorships, partnerships, or corporations, more information would be needed in this question for franchise to be the correct response.

SOURCE: BL:003 Explain types of business ownership

SOURCE: LAP-BL-003—Own It Your Way (Types of Business Ownership)

8. C

Technology. Capital goods reflect the state of technology that exists in society. In general, societies that are leaders in technology use or have the most up-to-date capital goods. While developing countries might use hand tools to produce goods and services, industrialized societies take advantage of much more sophisticated (and more readily available) industrial and digital technology. Capital goods do not directly reflect the state of goodwill, farmland, or motivation in society.

SOURCE: EC:003 Explain the concept of economic resources

SOURCE: LAP-EC-903—Be Resourceful (Economic Resources)

9. B

Business analysis techniques. MOST (Mission, Objectives, Strategies, Tactics), PESTLE (Political, Economic, Sociological, Technological, Legal, Environmental), and SWOT (Strengths, Weaknesses, Opportunities, Threats) are techniques for conducting a business analysis. Each seeks to identify and address issues that a business might face. While some of these strategies might be useful in supply chain management, they are not specific to managing supply chains. Standards-setting organizations and international governing entities are often known by their initials, but these initials do not refer to either.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: Villanova University. (2024, March 8). *What is business analysis?* Retrieved September 24, 2024, from <https://www.villanovau.com/resources/business-analysis/what-is-business-analysis/>

10. B

Respects different ideas. The culture of an organization involves the way the organization operates regarding its treatment of employees and those outside the business. Respecting different ideas and encouraging others to share their opinions is a characteristic of an organization that has a positive culture. In this type of culture, employees feel comfortable disagreeing with each other and with management. They know their ideas and opinions will be respected because the positive culture encourages them to think. If an organization has a positive culture, it does not control all activities, demand agreement, or limit recognition. In fact, it encourages shared responsibility, wants employees to think and be creative, and recognizes accomplishments.

SOURCE: EI:064 Explain the nature of organizational culture

SOURCE: LAP-EI-064—Culture Club (The Nature of Organizational Culture)

11. B

Call the customer and ask them to verbalize the information. The safest way to share sensitive information like credit card details is either over the phone or in person, where it can be verbalized and not written down. Sending sensitive information over email or text gives hackers the opportunity to steal the information. Even if the information is shared via picture, phones can still be stolen so thieves have access to the information they contain. Postal mail also gives thieves the opportunity to steal sensitive information that has been documented.

SOURCE: OP:518 Comply with strategies to protect digital customer data (e.g., information about customers, customers' credit-card numbers, passwords, customer transactions)

SOURCE: Luthi, B. (2023, May 31). *How to send credit card information safely*. Retrieved September 24, 2024, from <https://www.nerdwallet.com/article/credit-cards/sending-credit-card-information>

12. C

Act. The PDCA cycle is a tool for continuous improvement. It includes implementing change on a wider scale, which is the final step (Act). The Plan stage includes identifying an opportunity and planning for a change. The Do stage includes implementing the change on a small scale. The Check stage includes using data to analyze the results of the change to determine whether it made a difference.

SOURCE: QM:003 Discuss the need for continuous improvement of the quality process

SOURCE: American Society for Quality. (2024). *Continuous improvement*. Retrieved September 24, 2024, from <https://asq.org/quality-resources/continuous-improvement>

13. D

Effective conflict-resolution skills. Because disagreements occur among businesses and their suppliers, effective conflict-resolution skills can facilitate a resolution that is agreeable to both parties. If businesses and their vendors work out disagreements, they are more likely to develop ongoing, collaborative relationships. Businesses and their vendors may have some different goals, but they should align their goals to achieve their ultimate goal—satisfying the end user. It is important for a business to share relevant, but not all (e.g., confidential), information with its suppliers.

SOURCE: OP:241 Maintain vendor/supplier relationships

SOURCE: Buehler, T. (2023, December 22). *Managing relationships with suppliers and vendors you use*. Retrieved September 24, 2024, from <https://www.apu.apus.edu/area-of-study/business-and-management/resources/managing-relationships-with-suppliers-and-vendors-you-use/>

14. B

Finances. Control is the management function that monitors the work effort. A budget is an estimate of what income and expenses will be for a specific time period. Managers use budgets as a way to control expenses in relation to the income that the business receives. Productivity is the amount of work employees perform in a given period. Effectiveness is the ability to achieve a result. Information is knowledge, facts, or data.

SOURCE: SM:004 Describe the nature of managerial control (control process, types of control, what is controlled)

SOURCE: LAP-SM-400—Measure Up! (Managerial Control)

15. B

Six Sigma. The goal of Six Sigma in regard to quality management is getting rid of problems in a process that lead to variations in quality. By using the Six Sigma framework, companies can improve and control their quality management practices. Acceptance sampling involves inspecting a random sample of products to determine whether to accept or reject the entire batch. Behavior modeling is an instructional method in which trainees are given a specific model of behavior, told the consequences of failure to perform in that manner, provided opportunities to practice the behavior, and evaluated using the behavior. "Big Q" is a strategic approach to quality management that focuses on ingraining quality into every aspect of an organization. Identifying and eliminating defects that cause quality variations is the goal of Six Sigma, not acceptance sampling, behavior modeling, or "Big Q."

SOURCE: QM:002 Describe the nature of quality management frameworks (e.g., Six Sigma, ITIL, CMMI)

SOURCE: White, S. (2023, February 13). *What is Six Sigma? Streamlining quality management*. Retrieved September 24, 2024, from <https://www.cio.com/article/227977/six-sigma-quality-management-methodology.html>

16. C

Everyone has a unique perspective. Consensus building creates high-quality solutions because every group member brings a unique perspective to the table. This mix of ideas and expertise helps the group to come up with the best solutions and decisions possible. Consensus building can be very time-consuming, but this is not why it creates high-quality solutions. In consensus building, the group should consider as many different ideas as possible. Consensus means that everyone has equal power.

SOURCE: EI:011 Use consensus-building skills

SOURCE: LAP-EI-911—It's a Group Thing (Consensus Building)

17. D

By helping you be objective. Self-control helps you think clearly by enabling you to keep your emotions under control. This helps you be open-minded and objective. Self-control helps you deal with criticism without becoming defensive, but that is not part of clear thinking. Self-control helps you keep a positive attitude, but this is not related to thinking clearly.

SOURCE: EI:025 Demonstrate self-control

SOURCE: LAP-EI-014—Control Yourself! (Demonstrating Self-Control)

18. B

Managing a project team. Managing a project team requires a lot of work, including mediating conflict, resolving issues, managing team changes, tracking team member performance, and providing feedback. Completing a work breakdown structure, conducting a post-implementation review, and documenting team progress are all part of completing a project, but they do not necessarily involve mediating conflict, resolving issues, and providing feedback.

SOURCE: PJ:007 Manage project team

SOURCE: Kissflow. (2023, November 16). *10 dynamic strategies for managing a project team*. Retrieved September 24, 2024, from <https://kissflow.com/project/project-team-management/>

19. B

Process thinking. Process thinking is a system of thinking that is based on breaking down a procedure into small steps that then lead to the completion of a task. Critical thinking is the act of reflecting on and processing information in an objective manner to form a judgment. Creative thinking is a mental process involving the development of unique ideas, approaches, and solutions. Entrepreneurial thinking involves thinking like an entrepreneur, who invents, develops, and distributes a good or provides a service; assumes the risks of starting and building a business; and receives personal and financial rewards for their efforts.

SOURCE: OP:474 Discuss business process thinking and its impact

SOURCE: Drew, C. (2023, July 11). *What is process thinking? (Examples, pros, and cons)*. Retrieved September 24, 2024, from <https://helpfulprofessor.com/process-thinking/>

20. B

Control the project. Controlling is the management function of monitoring the work effort. Various reports can help project managers monitor the work effort. An activity status report provides a project manager with information about where the project stands at a given point. If the activity status report indicates that the project is running behind, then the project manager can take steps to get the project back on track. Reviewing an activity status report does not create barriers but may identify them. The project manager determines the project scope and develops project specifications during the project planning phase rather than the project execution phase.

SOURCE: PJ:009 Execute and control projects

SOURCE: University of Minnesota. (2024). *6.5 controlling*. Retrieved September 24, 2024, from <https://open.lib.umn.edu/exploringbusiness/chapter/6-5-controlling/>

21. C

Accrual. The accrual method of accounting records transactions as they occur, even if no money changes hands. This method is used by many businesses that offer credit. The cash accounting method records transactions when money changes hands. Income is money received by a business from outside sources. Credit is the arrangement by which businesses or individuals can purchase now and pay later.

SOURCE: FI:085 Explain the concept of accounting

SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

22. A

Prescriptive analytics recommend specific courses of action. Descriptive analytics use existing data to provide descriptions of the past. Predictive analytics, on the other hand, use existing, past data to predict a variety of possible futures. These descriptions of possible futures, however, cannot themselves arrive at a recommended decision. Since data analytics in business are often utilized to aid in decision-making, predictive analytics have limits in their applicability to decision-making. Where predictive analytics offer a forecast for the future, they do not recommend a specific course of action. Instead, predictive analytics can be combined with a rule or set of constraints to become prescriptive analytics, which take predictive analytics a step further by providing the rule and set of constraints. In this way, they limit the number of “possible futures” down to those that are most likely to result in the preferred outcomes. In this way, prescriptive analytics aid in decision-making by suggesting which decision is likely to be best.

SOURCE: NF:139 Explain the principles of data analysis

SOURCE: Camm, J.D., Cochran, J.J., Fry, M.J., Ohlmann, J.W., Anderson, D.R., Sweeney, D.J., & Williams, T.A. (2019). *Business analytics* (3rd ed.) [Lesson 1.3]. Boston, MA: Cengage Learning, Inc.

23. B

Accepting responsibility. When Nate accepts his detention for failing to follow directions, he is accepting personal responsibility for his actions. The ability to follow directions effectively requires you to understand what you have to do and then do it correctly. In this situation, Nate is not noting key words, knowing when to speak, or trying to avoid rushing.

SOURCE: CO:119 Follow oral directions

SOURCE: LAP-QS-024—Simon Says... (Follow Directions)

24. A

The research findings. Recommendations should be based on the research findings. Some reports may include qualitative information in the recommendations, but the recommendations should always include what the results reveal. The recommendations should not be based solely on the researcher's values, customary opinions, or psychological theories.

SOURCE: CO:186 Write research reports

SOURCE: The University of Maine. (2024). *Elements of a research project or proposal: Questions to consider*. Retrieved September 24, 2024, from <https://extension.umaine.edu/plugged-in/hr/faculty/new-faculty-orientation/applied-research/research-project-or-proposal/>

25. C

Learning doesn't always lead to knowledge. Learning and knowledge are related, but they are not the same. Learning is the process of being exposed to new concepts and skills; knowledge is the information that is internalized and mastered through learning. Unfortunately, learning does not always lead to knowledge—much of what we learn is forgotten. In this way, learning—not knowledge—is fleeting. Businesses, therefore, should be mindful about how they train their employees. Training should always attempt to lead to maximum knowledge retention. Not all training sessions are useless, but many do not lead to maximum knowledge retention.

SOURCE: SM:094 Describe relationship among innovation, learning, and change

SOURCE: Leaman, C. (2016, October 5). *The difference between learning and knowledge, and why you should care*. Retrieved September 24, 2024, from <https://learningsolutionsmag.com/articles/2079/the-difference-between-learning-and-knowledge-and-why-you-should-care>

26. D

Buttons, cloth, and thread. Raw materials inventory are goods (inputs) that are used to make a finished good (output). Buttons, cloth, thread, and zippers are examples of goods used to make clothing (finished goods), such as shirts. Sewing machines are equipment used to combine the inputs to create the outputs or finished goods.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Wallstreetmojo. (2024, August 21). *3 types of inventory*. Retrieved September 24, 2024, from <https://www.wallstreetmojo.com/types-of-inventory/>

27. D

Evaluating results. It's important for companies to periodically evaluate the results of the organizing process. A manufacturing company that realizes its organizational structure is not efficient is evaluating the results of its organizing efforts. It is not delegating authority, assigning tasks, or coordinating activities.

SOURCE: SM:064 Explain managerial considerations in organizing

SOURCE: LAP-SM-064—Put It All Together (Managerial Organizing)

28. A

The relationship between the foreign government and business. When a business decides to expand internationally, it faces certain risks. One of those is the relationship between government and business in the particular country where it will expand. The government's impact on business can cause serious problems for a foreign company that wants to expand, so companies must be aware of the regulatory environment. The potential to grow brand awareness is not a risk; rather, it is a reason to expand internationally. The threat of digital security breaches and the potential for losing money are not unique to international expansion.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Velocity Global. (2024, May 23). *10 risks of expanding a business internationally + how to avoid them*. Retrieved September 24, 2024, from <https://velocityglobal.com/resources/blog/risks-of-expanding-a-business-internationally/>

29. D

Coordinating all of the parts of the project. Benefits of project planning include coordination of all of the parts of the project, direction for making decisions and for keeping yourself on track, a standard for completion, clarification of misunderstandings, and motivation. Asking yourself important questions and setting an appropriate time frame are things you might do while you're planning, but they are not benefits. Monitoring the project is part of project management, not project planning.

SOURCE: OP:001 Develop project plan

SOURCE: LAP-OP-001—Chart Your Course (Developing a Project Plan)

30. C

A work breakdown structure. The work breakdown structure charts the project's milestones and deliverables to ensure that every project component is identified and laid out before the team begins work. If Shawn is feeling overwhelmed with the amount of project work, creating a work breakdown structure will help organize the flow of activities. A statement of work, scope statement, and issue log will not provide a comprehensive overview of the project's required deliverables.

SOURCE: PJ:006 Prepare work breakdown structure (WBS)

SOURCE: Roberts, M. (2019, November 20). *10 critical steps to include in a project plan*. Retrieved September 24, 2024, from <https://www.thebalancecareers.com/what-needs-to-be-in-a-project-plan-1669741>

31. C

Lower overhead costs. Overhead costs are expenses for things such as payroll, rent, and utilities. When a business has a more efficient supply chain, it can more effectively allocate resources to get products into customers' hands and reduce the cost of storing those products. Higher salaries could be an indirect benefit because costs are lower. A more efficient supply chain does not necessarily mean there is less inventory—it only means there is a smoother distribution of that inventory. The efficiency of a supply chain does not directly impact customer demand.

SOURCE: OP:477 Explain the impact of supply chains on business performance

SOURCE: LAP-OP-477—Chain Reaction (Impact of Supply Chains on Business Performance)

32. A

Agility. Agility is the ability to change quickly. Agile organizations anticipate changes in the marketplace and align their resources effectively to implement the changes quickly. Because agility requires flexibility, organizations use different strategies to stay flexible, including innovative management and competitive aggression. Cultural intelligence, which involves a high level of cultural sensitivity and awareness, is another characteristic of adaptable organizations.

SOURCE: EC:107 Explain how organizations adapt to today's markets

SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)

33. C

To remain competitive. For workers to produce at their maximum level of productivity and remain competitive with other businesses, they have to have the supplies and equipment necessary to do their jobs. In many cases, this means the business must keep up with advances in technology and replace old equipment with new. Businesses often need to provide their employees with the most modern equipment in order to remain competitive and continue earning a profit. Businesses do not purchase the most modern equipment in order to spend excess cash, satisfy suppliers, or offer good benefits.

SOURCE: OP:025 Explain employee's role in expense control

SOURCE: LAP-OP-025—Buck Busters (Employee Role in Expense Control)

34. D

Yes. Tom's errors could be costly to the company. Depending on the type of activity Tom is performing and how long he has been performing it incorrectly, his errors could be costly to the business. Tom could be using too many materials to produce a good, or he could be performing a process in a way that takes too much time. Zoe's motives are self-serving because she wants to appear more efficient and competent than Tom. These motives may be driven by a desire to get a salary increase or promotion. Although some people may consider Zoe's motives unethical, there is no evidence that she has violated procedural laws. If Zoe was concerned about the impact of Tom's performance on the company, she could tell Tom what he was doing wrong, or she could advise her manager that Tom was performing a task incorrectly. There is not enough information about Tom's task to know if it directly affects the company's relationships with its customers.

SOURCE: KM:002 Discuss the role of ethics in knowledge management

SOURCE: LAP-KM-002—Know What's Right (Ethics in Knowledge Management)

35. C

Safety inspections. Governments develop regulations to ensure the safety of workers. Some government regulations require that businesses have their machinery inspected on a regular basis by a government agent or independent entity to ensure that the business is complying with safety regulations. During the inspection, the inspector might identify problems or hazards that compromise worker safety. By identifying the problems, the business can take corrective action to ensure worker safety and to be in compliance. Undergoing accounting audits, security analyses, and ethics training programs are not actions that will identify workplace hazards.

SOURCE: OP:339 Discuss legal considerations in operations

SOURCE: Burrow, J.L., Kleindl, B., & Becraft, M.B. (2017). *Business management* (14th ed.) [Lesson 23.3]. Boston, MA: Cengage Learning, Inc.

36. B

Enhanced value. This example illustrates an organization's desire to enhance the value of its existing products and services. It's an important influencing factor in a company's decision to undertake knowledge management. Turnover refers to the rate at which employees are leaving their job positions. Globalization and competition refer to the fierce battle modern businesses face to earn scarce customer dollars—not only in their home countries, but all over the world. Innovation refers to the creation of new products, processes, ideas, etc.

SOURCE: KM:001 Explain the nature of knowledge management

SOURCE: LAP-KM-001—Know Go (Nature of Knowledge Management)

37. A

To determine if the deliverables achieved project goals. After the stakeholders receive the project deliverables, the project manager develops a post-implementation review. The post-implementation review is a formal, detailed assessment of the completed project in relation to the project's objectives. The document assesses the project's budgets, deadlines, processes, and the stakeholders' satisfaction with the results or deliverables. The "lessons learned" document outlines the successes and problems with the project. It includes suggestions for improvement for subsequent, similar projects. Although releasing project resources and archiving project documentation are important aspects of closing a project, these activities are not the primary purpose of the post-implementation review.

SOURCE: PJ:008 Close project

SOURCE: Schwartz, B. (2024, August 23). *What is post-implementation review in project management?* Retrieved September 24, 2024, from <https://www.projectmanager.com/blog/post-implementation-review>

38. D

Decreased variety of consumer goods. One of the benefits of marketing is that it provides a variety of goods and services from which consumers can choose. Because businesses must compete, they offer consumers a wide variety of goods and services. Without marketing, businesses would probably reduce the variety, consumers would not be aware of available products, and they would need to make direct contacts with businesses to learn about and purchase products. Reducing marketing costs would not increase the costs of production.

SOURCE: MK:001 Explain marketing and its importance in a global economy

SOURCE: LAP-MK-901—Have It Your Way! (Nature of Marketing)

39. C

As attachments. An attachment is a document that a sender attaches to an email message. The recipient can open the attachment or download it to their own computer. If necessary, businesspeople can send information by attaching a document when they are replying to an email inquiry or message. Large documents are usually not sent in text boxes or in codes.

SOURCE: NF:004 Demonstrate basic email functions

SOURCE: Slack. (2021, October 4). *Effective business communication techniques*. Retrieved September 20, 2024, from <https://slack.com/blog/collaboration/effective-business-communication-techniques>

40. B

Quality improvement. Quality improvement involves an organization's willingness to change and adapt for the purpose of maintaining or improving quality. Quality improvement is a purposeful action on the organization's part. A successful business is committed to constantly seeking new ways to improve quality throughout the entire company. Quality control is a process that measures products against predetermined standards after the products have already been created. Quality assurance seeks to prevent defective products from being created in the first place. It focuses on planning ahead for quality and getting things right the first time around. Quality deterrent is a fictitious term.

SOURCE: QM:001 Explain the nature of quality management

SOURCE: LAP-QM-001—Keep It Quality (Nature of Quality Management)

41. A

File a formal complaint to the court alleging the Bremen Company's illegal use of the Tafoya trademark. The first step in a legal case is filing a formal complaint. All other processes occur after the complaint has been filed. A pretrial cannot be established until the case has been created through the filing of a complaint, a response from the defense, and the completion of the discovery process, including interrogatories and examinations.

SOURCE: BL:160 Describe the litigation process

SOURCE: SmallBiz.ca. (2024). *The litigation process—step by step*. Retrieved September 14, 2024, from <http://www.smallbiz.ca/2009/04/08/the-litigation-process-step-by-step>

42. A

Human resources. Human resources management focuses on staffing, including planning, recruitment, selection, orientation, training, performance appraisal, compensation, and safety of employees. To be successful in human resources management, you should be a people person with strong speaking skills. Supply chain, operations, and business analytics are not as strongly related to people skills and public speaking ability.

SOURCE: PD:297 Discuss employment opportunities in business management and administration

SOURCE: LAP-PD-297—Career Opportunities in Business Management and Administration

43. D

Developing an alternative plan in case of technology failure. Risk management is a business activity that involves the planning, controlling, preventing, and limiting of business losses and enhancing possibilities for gain. The purpose of risk management is to identify, measure, respond to, and monitor risks to minimize their impact and keep the business functioning smoothly. An example of a risk is technology failure, so a way to manage that risk is to develop an alternative plan. Following all the rules and procedures is not an example of risk management. Treating others with respect is also not an example of risk management. Finally, checking that a product works the way it is supposed to is an example of quality management rather than risk management.

SOURCE: RM:041 Explain the role of ethics in risk management

SOURCE: LAP-RM-041—Manage Risk the Right Way (Ethics in Risk Management)

44. D

It can respond to changes in the marketplace. A supply chain can help a business quickly adjust inventory levels to respond to market changes. A supply chain does not eliminate the need to monitor inventory levels. The supply chain benefits of reduced transportation costs and better supplier relationships are not realized from adjusting internal inventory levels.

SOURCE: OP:303 Discuss the nature of supply chain management

SOURCE: LAP-OP-303—Top of the (Supply) Chain (Nature of Supply Chain Management)

45. C

Determining standards of excellence. It is impossible to assess results without a standard by which to measure those results. The first step in controlling is to make sure there are set standards that can be used to measure excellent work. These standards vary depending on what the organization's goals are. The next steps in the process are measuring performance, comparing performance with standards, and taking corrective action.

SOURCE: SM:004 Describe the nature of managerial control (control process, types of control, what is controlled)

SOURCE: LAP-SM-400—Measure Up! (Managerial Control)

46. D

Saving money benefits your overall well-being. Saving money is important for many reasons, including benefiting your overall well-being. This is because you have money available to engage in relaxing, enriching activities such as going on vacation. This example is not related to an emergency fund. Spending money on unnecessary purchases is not necessarily risky, especially if you have money saved up. Finally, there is no certain income level needed to start saving.

SOURCE: FI:270 Explain the need to save and invest

SOURCE: Caldwell, M. (2024, June 6). *7 reasons to save money*. Retrieved September 20, 2024, from <https://www.thebalance.com/learn-the-most-important-reasons-to-save-money-2386123>

47. A

Sometimes misunderstood. There is no "dictionary of signals" for body language. Nonverbal communication cannot be precise, which means that the recipient may not receive the message that the speaker intends to convey. In some cases, the body language seems to contradict what the speaker is saying. Expressing oneself through body language is not hard to learn, because we all use some forms of it instinctively. It can be more effective in some situations than verbal communication.

SOURCE: EI:007 Explain the nature of effective communications

SOURCE: LAP-EI-140—More Than Just Talk (Effective Communication)

48. D

Create a climate for change. Many employees are intimidated by and afraid of change. To successfully manage change in an organization, companies should first work to create a climate for change, which means cultivating an environment receptive to change. This involves communicating the importance of change and giving employees ownership and agency as part of this change. Only once a climate for change has been established should companies enable, sustain, and reflect on change. Effective change management does not avoid making changes.

SOURCE: SM:095 Explain the nature of change management

SOURCE: Michigan State University. (2023, April 19). *What is change management?* Retrieved September 24, 2024, from <https://www.michiganstateuniversityonline.com/resources/leadership/what-is-change-management/>

49. B

Free cash flow. Free cash flow is an indication of how efficient a company is at generating cash. Although not always the case, high free cash flow can signal that the company is growing, while a negative free cash flow can be a sign that the company is suffering financially. Free cash flow is determined by subtracting capital expenditures from operating cash flow. To determine a business's working capital, subtract current liabilities from current assets. Amortization is used by accountants to lower the value of a loan over time. Profit is the reward a business receives for taking the risk involved in investing in a business, or the income that is left once all expenses are paid.

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Murphy, C. (2024, July 12). *What is the formula for calculating free cash flow?* Retrieved September 24, 2024, from <https://www.investopedia.com/ask/answers/033015/what-formula-calculating-free-cash-flow.asp>

50. C

Noneconomic want. Noneconomic wants are desires for items that can be obtained without money. Money cannot buy friendship. Opportunity cost is the benefit that is lost when you decide to use scarce resources for one purpose rather than for another. Capital goods are all materials used in the production of goods and services. A service is an intangible object that can be sold.

SOURCE: EC:001 Describe the concepts of economics and economic activities

SOURCE: LAP-EC-901—Are You Satisfied? (Economics and Economic Activities)

51. B

It boosts exports. One advantage of a weak currency is that it boosts exportation by making domestic products more affordable for foreign consumers. Weak currency makes buying imports more expensive, not cheaper. Weak currency does inhibit businesses from expanding overseas, and this is a disadvantage rather than an advantage. Weak currency may lower global perception of the domestic economy.

SOURCE: EC:100 Describe the determinants of exchange rates and their effects on the domestic economy

SOURCE: LAP-EC-100—Get Your Money's Worth (Exchange Rates)

52. A

Staffing; recruiting. Staffing is the management function of finding workers for the business. Staffing activities include recruiting, interviewing, hiring, and orienting new employees. Planning is the management function of deciding what will be done and how it will be accomplished. Controlling is the management function that monitors the work effort. Monitoring is a control activity. Directing is the management function of providing guidance to workers and work projects. Acquiring is obtaining or purchasing something.

SOURCE: SM:065 Describe managerial considerations in staffing

SOURCE: Longenecker, J.G., Petty, J.W., Palich, L.E., & Hoy, F. (2020). *Small business management: Launching and growing entrepreneurial ventures* (19th ed.) [pp. 438-439]. Boston, MA: Cengage Learning, Inc.

53. C

Dysfunctional. When a business does not effectively address conflict, it can jeopardize the company's resources by leading to negative results like apathy and poor job performance. High levels of apathy, low levels of creativity, and poor job performance are not characteristics of positive or functional conflict. Adaptable is not a term generally used to describe conflict.

SOURCE: EI:015 Use conflict-resolution skills

SOURCE: LAP-EI-915—Stop the Madness (Conflict Resolution)

54. A

Immediately terminate accounts that are no longer in use. If an employee leaves the company, their account should be removed so that it cannot be used to access secure information. Although ideally all employees would be happy with the company, it is not always possible to please everyone. Strong passwords and antivirus software are important security measures but will not necessarily protect the business from a disgruntled employee.

SOURCE: OP:152 Follow established security procedures/policies

SOURCE: Witts, J. (2024, February 15). *The top 5 biggest cybersecurity threats that small businesses face and how to stop them*. Retrieved September 20, 2024, from <https://expertinsights.com/insights/the-top-5-biggest-cyber-security-threats-that-small-businesses-face-and-how-to-stop-them/>

55. B

Result in customer satisfaction. As employees go about their daily activities, their actions should be driven by whether or not they will result in customer satisfaction. Demonstrating a customer-service mindset is all about making customers feel important. By focusing on customer satisfaction, employees can potentially increase sales and benefit the business, not benefit the workforce. All employees should demonstrate a customer-service mindset regardless of whether or not they have direct contact with customers.

SOURCE: CR:004 Demonstrate a customer service mindset

SOURCE: LAP-CR-004—Set Your Mind to It (Customer Service Mindset)

56. D

A visa. A visa is an official governmental document that grants an individual temporary authorization to be in another country. Some countries require a visa for business travel. Proof of citizenship is any document that provides official documentation that you are a citizen of a certain country. A permanent resident card is an official document that allows someone to live and work in a country indefinitely. Travel insurance covers losses incurred when traveling.

SOURCE: EC:141 Identify requirements for international business travel (e.g., passport, visa, proof of citizenship, immunizations, and sponsorship letters)

SOURCE: Doyle, A. (2022, September 20). *U.S. work visas and eligibility requirements*. Retrieved September 20, 2024, from <https://www.thebalancecareers.com/types-of-us-work-visas-and-requirements-2064322>

57. A

Business processes. The design of business processes can be influenced by many types of factors. Human factors that can influence business process design include stress, employee morale, and fatigue. Regulatory and environmental factors include governmental regulations and the political or social environment surrounding an organization. Technological factors include the cost of necessary equipment or technology. While human, regulatory, technological, and environmental factors can individually impact office visitation guidelines, leave policies, and project due dates, the combination of all four factors is most likely to influence the design of business processes.

SOURCE: OP:475 Describe the factors that influence business process design

SOURCE: Taylor, H. (2017, September 26). *Factors that affect process design*. Retrieved September 24, 2024, from <https://bizfluent.com/list-7444011-factors-affect-process-design.html>

58. B

Follow company policies about giving out personal information. If employees want to help their companies protect digital assets, they should follow company policies about giving out personal information. They do not need to send out emails about security policy changes; this would be done by management or the IT department. Employees should not share their passwords with everyone in the company or download documents from unevaluated websites.

SOURCE: OP:517 Comply with strategies for protecting business' digital assets (e.g., website, social media, email, etc.)

SOURCE: Fairlie, M. (2024, January 11). *17 security practices to protect your business's sensitive information*. Retrieved September 24, 2024, from <https://www.business.com/articles/7-security-practices-for-your-business-data/>

59. D

Network diagram. A network diagram is used to plan and track a project from beginning to end. A work breakdown structure shows the "part-whole" relationships in a project. In this example, the network diagram shows the major steps of the project from beginning to end. For example, each task in Kevin's project requires substeps that would be diagrammed in a work breakdown structure (e.g., substeps required to prepare house for painting: take down shutters, scrape off chipping paint, etc.). A scope management plan defines the project's purpose and rationale, the results to be achieved, and the products to be developed. A project charter is a written overview of a project that includes information such as the project purpose, goals, and products. It also identifies the project manager and authorizes them to begin work on the project.

SOURCE: PJ:010 Manage project schedule

SOURCE: For Dummies. (2016, March 26). *How to create a network diagram*. Retrieved September 24, 2024, from <https://www.dummies.com/article/business-careers-money/business/project-management/how-to-create-a-network-diagram-189250>

60. A

Blanket. A blanket order is an order that covers all or part of a business's product requirements for a certain period of time. A special order is a request for a custom product or a product that a vendor does not normally carry in stock. A service order is a request for service, such as an equipment repair or installation. A referral is a recommendation rather than a type of purchase order.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Sleimen, M. (2024). *Types of purchase order processes & purchase order examples*. Retrieved September 24, 2024, from <https://www.tradogram.com/blog/the-different-types-of-purchase-orders-and-their-functions-explained>

61. A

Analytical. Analytical reports are reports that provide both information and analysis. Analytical reports also often include recommended actions for the organization. Emma's report is an example of an analytical report because it included both information and analysis, as well as a recommended course of action for her company. Informational reports provide raw data, facts, and other types of information without offering any sort of analysis or recommendation. A financial report is a report that discusses financial issues, such as budgeting or sales. Data-based is not a term generally used to describe business reports.

SOURCE: CO:185 Write analytical reports (i.e., reports that examine a problem/issue and recommend an action)

SOURCE: Study.com. (2024). *Analytical & informational reports*. Retrieved September 24, 2024, from <https://study.com/academy/lesson/informational-and-analytical-reports-definition-and-uses.html>

62. C

A small company does not have the funds to go to court. Settlement occurs when the defendant in a case agrees to some or all of the plaintiff's claims and decides not to go to court, usually instead paying a monetary amount. Settlement is often a more affordable option than a costly legal battle that the defendant may not even win. Therefore, if a small company is the defendant in a case, it might agree to settle to save money. Settlements can keep companies out of the spotlight, rather than bringing them publicity. If a defendant feels they have a strong chance of winning, they might want to pursue the case in court rather than settling because they could receive a much larger payment. Finally, complicated cases with many defendants are more difficult to settle because some might want to settle while others do not.

SOURCE: BL:159 Describe factors affecting the settlement of legal matters

SOURCE: Hilotin-Lee, L. (2024, May 14). *What does it mean to settle a case?* Retrieved September 24, 2024, from <https://www.findlaw.com/litigation/legal-system/what-does-it-mean-to-settle-a-case.html>

63. D

Supply chain. Supply chain management is increasingly influenced by modern technology as new innovations such as digital warehouse management systems become widely available. Digital warehouse management systems help companies distribute products more efficiently by tracking inventory in real time—they're a technology that allows for better supply chain management. This example does not illustrate the effect of technology on human resource, financial, or employee management.

SOURCE: OP:478 Describe the impact of technology on supply chain management

SOURCE: BR Williams Trucking. (2024). *Where's my inventory? 7 benefits of choosing a warehouse with a digital warehouse management system.* Retrieved September 24, 2024, from <https://www.brwilliams.com/blog/7-benefits-of-choosing-warehouse-with-digital-warehouse-management-system/>

64. A

The bank's ability to meet your current financial needs. The most important consideration in selecting a banking institution is whether the bank offers you the services you currently need. While it would be helpful if the bank could help with your future financial needs, it's more urgent to utilize a bank that meets your current needs. An individual may or may not need a large number of services. A bank's profitability is not usually a large concern for consumers because government organizations typically insure consumers' bank deposits.

SOURCE: FI:076 Discuss considerations in selecting a financial-services provider

SOURCE: Pritchard, J. (2021, March 4). *How to choose the best bank for your needs.* Retrieved September 20, 2024, from <https://www.thebalance.com/choosing-a-bank-315757>

65. B

Provide safe working conditions. It is important for purchasing departments to partner with socially responsible vendors. A business's purchasing department must be rigorous when selecting its suppliers and must investigate any hint of unethical behavior. This means doing business with suppliers or vendors that emphasize fair labor practices, such as providing safe working conditions, preventing unpaid overtime, avoiding products from endangered habitats or child labor. Ethical purchasing departments would avoid working with vendors that prioritize speed over quality.

SOURCE: OP:246 Discuss the importance of utilizing ethical purchasing methods

SOURCE: LAP-OP-246—Quid Pro No (Ethics in Purchasing)

66. B

Plan special sales. Businesses monitor internal inventory records to keep track of the type and quantity of products that are in stock. By monitoring this information, businesses can identify an oversupply of certain products, or products that are slow sellers. The inventory records help businesses decide when it would be appropriate to plan a special sale to get rid of excess inventory or slow-selling items. Keeping these items in stock ties up money that the business could use to buy new products that customers want to buy. Businesses do not monitor internal inventory records to obtain the information needed to organize new displays, evaluate vendors, or create safety rules.

SOURCE: NF:014 Monitor internal records for business information

SOURCE: Burrow, J.L., & Fowler, A.R. (2016). *Marketing* (4th ed.). [Lesson 5.2.1]. Boston, MA: Cengage Learning, Inc.

67. A

Health. Eating the right foods, maintaining an appropriate weight, and practicing good posture are conducive to good health. This has a positive effect on the image individuals project to others. Dress factors involve the selection of clothes a person wears, which include the colors, textures, lines, shapes, and patterns of the clothes. Grooming factors include various guidelines for personal hygiene. Self-concept is the way in which you see yourself.

SOURCE: PD:002 Maintain appropriate personal appearance

SOURCE: LAP-PD-002—Look Good, Feel Good (Personal Appearance)

68. D

Tactical. Tactical planning is short-range planning—1 year or less—and involves determining the specific actions the business needs to take to carry out its strategic plan, which is more general in nature. A contingency plan is an alternative course of action that a business implements when it is not feasible to carry out the original plan. Long-term planning involves setting goals that will take the business more than a year to achieve.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: Hart, M. (2022, March 1). *Strategic vs. tactical planning: The what, when, and why*. Retrieved September 24, 2024, from <https://blog.hubspot.com/sales/strategic-vs-tactical-planning>

69. C

Distractions. Distractions are any occurrences or noises that attract the listener's attention away from the speaker. They can be a major block to effective listening. Concentration is focusing one's attention. Open-mindedness means being receptive to new ideas. Empathy is being able to put yourself in another's place. These alternatives would aid listening, not hinder it.

SOURCE: CO:017 Demonstrate active listening skills

SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)

70. B

They are both forms of self-insurance. A captive insurer is a form of self-insurance used by a parent company and can include coverage for general liability, workers compensation, terrorism, and more. A risk retention group is a form of self-insurance owned by the members of the group and offers liability insurance. Risk retention groups can only be headquartered in the United States, while captive insurers can be headquartered anywhere in the world. Captive insurers require a state license in every state in which they operate, while risk retention groups can conduct business in multiple states without a license in each one.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: Morgan, C. (2020, November 10). *Risk retention group vs. captive insurance*. Retrieved September 24, 2024, from <https://www.caitlin-morgan.com/risk-retention-group-vs-captive-insurance/>

71. A

Asking questions. Before individuals can make decisions, they need to obtain information about the problem or situation. One way of gathering information is to ask questions of friends, family, coworkers, or supervisors. Asking questions enables individuals to gather additional information that may be useful in helping them make good decisions. Watching movies, writing letters, and reading novels are not ways of obtaining information to use in decision-making.

SOURCE: PD:017 Make decisions

SOURCE: LAP-PD-017—Weigh Your Options (Decision-Making)

72. A

MRO goods. Maintenance, repair, and operating (MRO) goods are part of the production process but aren't seen in the end product. For example, a food worker uses gloves when preparing a to-go order, but the customer only receives the food (and not the gloves). Transit inventory is the inventory that has been shipped by the seller but not yet received by the buyer. Intangible inventory includes goods that are not physical in nature, like goodwill and intellectual property. Raw materials are items in their natural state or condition, like corn, lumber, and coal.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Murray, M. (2019, November 15). *Maintenance, repair, and operating supplies (MRO)*. Retrieved September 24, 2024, from <https://www.thebalancesmb.com/maintenance-repair-and-operating-supplies-mro-2221265>

73. C

Job security is an issue. Tacit knowledge is expertise that is often difficult to explain or quantify. Sharing tacit knowledge with coworkers can help the company improve its performance, develop innovative processes, and achieve a competitive advantage. Employees are more likely to share knowledge when management encourages collaboration and when work relationships are interdependent. However, in some situations, such as unstable economic conditions and negative work cultures, employees are fearful about losing their jobs and are more likely to keep helpful information to themselves.

SOURCE: KM:002 Discuss the role of ethics in knowledge management

SOURCE: LAP-KM-002—Know What's Right (Ethics in Knowledge Management)

74. A

Timestamps. Timestamps are automatically recorded time markers that let users know when a change was made in a set of data. Changed data are not necessarily recorded chronologically. Corrections is a generic term for changes. Queries are searches and are not used to record changes.

SOURCE: NF:264 Adhere to data change best practices

SOURCE: Warner, T. (2020, December 2). *4 ways to implement change data capture*. Retrieved September 24, 2024, from <https://www.safe.com/blog/2020/12/4-ways-implement-change-data-capture/>

75. B

Eliminating stereotypes. Eliminating stereotypes can help you to recognize that each person is a unique individual and should be treated as such. Sympathy is very similar to empathy, so eliminating it would not help a person develop empathy. Forming strong opinions can prevent us from understanding other viewpoints and does not help us to develop empathy. Avoiding criticism can keep us from really listening to others and does not help us develop empathy.

SOURCE: EI:030 Show empathy for others

SOURCE: LAP-EI-030—Have a Heart (Showing Empathy for Others)

76. B

Motivate them to keep working hard. Sometimes, despite our best efforts, things do not go as planned. Recognition in this situation motivates us to try again. When you compliment someone's efforts, you do not discourage them from trying again—you encourage them to keep trying. Recognizing someone's efforts does not provide them with a false sense of success, nor does it decrease their motivation to keep working hard.

SOURCE: EI:014 Recognize/Reward others for their efforts and contributions

SOURCE: LAP-EI-141—Gimme Five! (Recognizing/Rewarding Others)

77. C

Accountability matrix. An accountability matrix is a table that businesses use to assign tasks to workers and track their progress in relation to various business or project activities. Because an accountability matrix shows relationships among resources, businesses can use it to capture organizational knowledge for future use. Businesses may design their own accountability matrices by using word-processing or spreadsheet applications or by using project-management software programs. A probability chart is a risk management tool. A navigation log is a tool that tracks the times and locations of aircraft. Systems register is a fictitious term.

SOURCE: KM:003 Explain the use of technology in knowledge management

SOURCE: Morrison, R. (2017, May 15). *What is and why have an accountability matrix?* Retrieved September 24, 2024, from <https://www.orgvue.com/resources/articles/what-is-and-why-have-an-accountability-matrix/>

78. C

Prepare ahead of time. Negotiating is the process of one party reaching an agreement with another party to meet specific needs or wants. When negotiating with a vendor, it's important to prepare ahead of time. When you know more about a supplier and their products, you are better able to negotiate and strike a deal that benefits both of you. Using deception tactics (such as bluffing or falsifying) is often detrimental to negotiations. Rejecting compliments won't necessarily help you with successful negotiation. You should take your time—rather than acting as quickly as possible—when negotiating with a vendor.

SOURCE: OP:337 Negotiate terms with vendors in business

SOURCE: Hudson, M. (2019, November 2). *10 tips on how to negotiate with wholesalers.* Retrieved September 24, 2024, from <https://www.liveabout.com/how-to-negotiate-prices-and-more-2890063>

79. B

It integrates quality into every aspect of a company. Quality management is the ongoing process of planning, implementing, and integrating quality into every aspect of an organization. Quality management doesn't just deal with products and services—it applies to an organization's systems and processes, too. Quality management flows through an entire organization, as it applies to every department, individual, and practice involved in delivering products and services to customers. Quality management aims to improve efficiency, increase profits, and lower costs, all while meeting (and hopefully exceeding) customer expectations.

SOURCE: QM:012 Discuss ethical considerations in quality management

SOURCE: LAP-QM-012—Quality Is the Best Policy (Ethics in Quality Management)

80. C

Damage to credit history. If steps are not immediately taken to rectify any damages caused by identity theft, the victim of the theft could spend years trying to rebuild their credit and savings. If one's identity is stolen, they will not need to get a new identity. Unemployment and homelessness are not results of having one's identity stolen.

SOURCE: FI:073 Protect against identity theft

SOURCE: Johansen, A.G. (2021, February 4). *4 lasting effects of identity theft.* Retrieved September 20, 2024, from <https://www.lifelock.com/learn/identity-theft-resources/lasting-effects-of-identity-theft>

81. A

Grocery bills. Developing a personal budget involves considering two types of expenses: fixed and variable. Fixed expenses do not change from month to month. Examples of fixed expenses include car payments, rent, mortgage payments, and cell phone bills. Variable expenses, on the other hand, are costs that fluctuate rather than remain the same from month to month. Examples of variable expenses, also known as discretionary spending, are grocery bills and entertainment costs.

SOURCE: FI:066 Develop personal budget

SOURCE: Pant, P. (2022, July 31). *What's the difference between fixed and variable expenses?* Retrieved September 20, 2024, from <https://www.thebalance.com/what-s-the-difference-between-fixed-and-variable-expenses-453774>

82. D

Case. Case law is a primary source of law that is based on previous court decisions. Constitutional law is the supreme law of the land and is based upon the U.S. Constitution. Uniform laws address issues such as trade and commerce. Uniform laws provide legal consistency among the states that adopt them. The U.S. Congress enacts statutory laws.

SOURCE: BL:067 Discuss the nature of law and sources of law in the United States

SOURCE: LawShelf. (2024). *Sources of law in the United States*. [Video]. Retrieved September 20, 2024, from <https://www.lawshelf.com/shortvideoscontentview/sources-of-law-in-the-united-states>

83. D

Promotional needs. Business analysis is the process of investigating and evaluating an issue, problem, process, or approach that affects the business. Analysis can help a business determine how to achieve its goals. Because the data and information that Mitchell is evaluating is related to an advertising campaign, he is evaluating a promotional issue—he is determining the best way to communicate product information to the target market. Although available human (internal and external) and financial resources are factors that Mitchell might consider as part of the analysis, the primary purpose is promotional rather than evaluating the business's operating schedule or its human resources.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: Deeb, G. (2022, March 3). *5 steps to finding the best ad agency*. Retrieved September 24, 2024, from <https://www.forbes.com/sites/georgedeeb/2022/03/03/5-steps-to-finding-the-best-advertising-agency/>

84. A

Building positive customer relations. Treating customers with respect and courtesy creates a positive relationship with customers and goodwill for the business. The situation described does not involve suggestion selling, quality of products, or employee turnover.

SOURCE: CR:003 Explain the nature of positive customer relations

SOURCE: LAP-CR-003—Accentuate the Positive (Nature of Customer Relations)

85. C

Creating a vision. Before implementing a change, and even before planning a change, change management calls for creating a clear vision for that change. This means understanding what this change will affect and why this change must be implemented in the first place. Analyzing results, embedding change, and reviewing change all come after one implements change.

SOURCE: SM:096 Explain the change-management lifecycle

SOURCE: Miller, K. (2020, March 19). *5 critical steps in the change management process*. Retrieved September 24, 2024, from <https://online.hbs.edu/blog/post/change-management-process>

86. A

Complex research report. The executive summary provides an overview of the entire document and contains the most important information included in the body of the report. Executive summaries are often included in long, complex reports that contain a lot of information. By reading the executive summary, the reader can determine which section of a long report that they want to read in more detail. A six-page case study, an employee handbook, and a manuscript outline do not require an executive summary.

SOURCE: CO:091 Write executive summaries

SOURCE: Bird, B. (2018, October 25). *How to write an executive summary*. Retrieved September 20, 2024, from <https://bizfluent.com/how-16566-write-executive-summary.html>

87. A

It helps businesses proactively respond to potential risks. Businesses use risk modeling technology to aid in their risk management strategy. Risk modeling is a tool that helps businesses identify, investigate, and proactively respond to potential risks. Risk modeling aids in decision-making, but it does not replace business expertise and management. Risk modeling does not enable businesses to predict the future with complete certainty. It helps businesses address many risks, but it cannot mitigate all risks.

SOURCE: RM:042 Describe the use of technology in risk management

SOURCE: Wood, R. (2019, March 28). *4 reasons why risk models are crucial for successful project management*. Retrieved September 24, 2024, from <https://www.safran.com/blog/4-reasons-why-risk-models-are-crucial-for-successful-project-management>

88. C

Gap analysis. Gap analysis is a tool that allows you to identify the discrepancies between your project and its plan. It can help you analyze data and evaluate success. Feasibility analysis is examining such factors as demand, costs, competition, capital investment required, and potential profit of a product or service to determine how it will fit into the company's product mix. Competitive analysis is the process of comparing a business's income statement with that of its competitors to see how it is doing by industry standards. An environmental analysis is a study of the external forces that influence a business's success.

SOURCE: OP:521 Evaluate project success

SOURCE: LAP-OP-521—Making the Grade (Evaluating Project Success)

89. D

Assess their ethical needs. The most important way to encourage ethical behavior in risk management is to include ethics as a part of the risk management planning process. Companies should reflect on internal and external ethical issues and think about how they can manage the risks associated with them. Rewarding ethical behavior is also a way to encourage ethical behavior, but it does not necessarily occur during the risk management planning stage. Companies should not necessarily avoid discussing compliance, because compliance is an important aspect of risk management. Finally, the focus should include both internal and external issues.

SOURCE: RM:041 Explain the role of ethics in risk management

SOURCE: LAP-RM-041—Manage Risk the Right Way (Ethics in Risk Management)

90. A

Protect its trade secrets. A nondisclosure agreement is a contract between an employer and an employee that states that the employee will not reveal the employer's trade secrets (e.g., formula, recipe, manufacturing technique) to future employers for whom the employee might work. Nondisclosure agreements provide the business legal recourse if a competitor attempts to use the information for financial gain or benefit. Businesses do not ask their employees to sign a nondisclosure agreement to avoid discrimination lawsuits, ensure their employees' privacy, or prevent copyright infringement. Copyright infringement involves the unauthorized use of written or artistic works.

SOURCE: KM:004 Explain legal considerations for knowledge management

SOURCE: Twin, A. (2024, July 12). *Non-disclosure agreement (NDA) explained, with pros and cons*. Retrieved September 24, 2024, from <https://www.investopedia.com/terms/n/nda.asp>

91. B

Identify ordering/shipping issues. The manager is analyzing information from the supply chain network to identify issues related to ordering and shipping. In this specific case, costs would likely rise because items have to be shipped to another location. The manager is not evaluating sales performance in this situation. The manager is not making any pricing decisions in this situation.

SOURCE: OP:479 Describe supply chain networks

SOURCE: DLX. (2024). *What is a supply chain network, why are they so important?* Retrieved September 24, 2024, from <https://www.dlxpress.com/supply-chain-network-importance>

92. C

Missing deadlines. It's important for managers to check in and evaluate their directing ability. If a manager is not able to direct employees effectively, the employees and the organization are going to struggle to be successful. Missing deadlines is a sign of struggle, which indicates that a manager could improve their directing abilities. Adding new staff members does not necessarily indicate that a manager is not directing effectively. Meeting goals and communicating regularly are signs that a manager is directing successfully, rather than that the manager needs to work on their directing abilities.

SOURCE: SM:066 Discuss managerial considerations in directing

SOURCE: LAP-SM-066—Take Action (Managerial Directing)

93. B

Legal requirements. Businesses may need to change their processes in response to a variety of changes, including changes to the marketplace, legal or regulatory requirements, customer demand, and technology. Changes to legal or regulatory requirements—such as those dealing with privacy and personal data—can cause businesses to change their processes so they remain compliant with laws. This is not an example of businesses changing processes in response to changes in the marketplace, technology, or customer demand.

SOURCE: OP:476 Explain the causes of business process changes

SOURCE: Wilkins, J. (2020, August 13). *Businesses processes and change – Reasons, drivers, and considerations*. Retrieved September 24, 2024, from <https://info.aiim.org/aiim-blog/business-process-change-drivers-and-considerations>

94. B

Time-bound. SMART is the acronym for specific, measurable, achievable, realistic, and time-bound, which are the characteristics of effective goals. In the example, the goal states that phase one of the project will be done by a specific date, making it time-bound. There is not enough information provided to determine if the stated completion date is realistic. Motivational and structured are not words that apply to SMART goals.

SOURCE: PJ:005 Initiate project

SOURCE: Eby, K. (2019, January 9). *How to write SMART goals: Examples, step-by-step guide, and free template*. Retrieved September 24, 2024, from <https://www.smartsheet.com/blog/essential-guide-writing-smart-goals>

95. C

Force/Direct. In an emergency situation, when one viewpoint must be chosen quickly and opinions conflict, the most effective strategy for Vincent to take is to use his authority to push one viewpoint that has been deemed best. This may make some team members unhappy, but in the case of an emergency, it may not be practical to take the time to collaborate to find consensus or search for a compromise. Withdrawing and avoiding the situation is not an appropriate strategy either because making a decision cannot be postponed or pushed to someone else in an emergency situation.

SOURCE: PJ:007 Manage project team

SOURCE: Guillen, G. (2021, October 19). *The PMBOK guide—seventh edition summary*. Retrieved September 24, 2024, from <https://www.projecttimes.com/articles/the-pmbok-guide-seventh-edition-summary/>

96. D

Better prepared you'll be to cope with life. Understanding yourself helps you in all areas of your life. Some specific ways self-understanding can be beneficial include helping you to identify your strengths and weaknesses, understand others, establish a value system, choose an appropriate career, set realistic goals, raise your level of self-esteem, and become a mature individual. Self-understanding does not guarantee high earnings, great success, or the ability to learn new skills easily.

SOURCE: PD:013 Assess personal interests and skills needed for success in business

SOURCE: Humber River Health. (2022, January 27). *The benefits of self-awareness*. Retrieved September 20, 2024, from <https://www.hrh.ca/2022/01/27/the-benefits-of-self-awareness/>

97. B

It is an adversarial process. Arbitration is an adversarial process, not a cooperative one. Because of this, it usually does not have a win-win outcome. Arbitration is popular because it is usually less expensive than litigation.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: MacDonald, L. (2024). What are the benefits of employee arbitration? Retrieved September 24, 2024, from <https://smallbusiness.chron.com/positives-negatives-using-arbitration-business-contracts-42670.html>

98. A

Make decisions. Project management software helps project managers automate, schedule, and track the various project components by computer. If used appropriately, the software can help a project run efficiently. Project management software can calculate data, track changes, and flag information. One thing software cannot do is make decisions. Individuals make decisions that are often based on input entered into the computer.

SOURCE: NF:130 Utilize project-management software

SOURCE: Rouse, M. (2024, September 12). *Project management software*. Retrieved September 24, 2024, from <https://www.techopedia.com/definition/13132/project-management-software>

99. D

A manager creating a guide on performing a work task. When a more experienced worker memorializes and records how to perform a task, they are benefiting the staff and engaging in knowledge management. Day-to-day work, surveys, and memos don't necessarily advance or record workplace knowledge.

SOURCE: KM:018 Apply knowledge management processes

SOURCE: Ross, H. (2023, July 7). *The ultimate knowledge management guide*. Retrieved September 24, 2024, from <https://fellow.app/blog/management/knowledge-management-guide-for-managers/>

100. D

Distributing a report to company officers that recommends policy changes. Persuasion is the effort of an individual or group of individuals to influence the attitudes or behavior of another individual or group of individuals. Recommendations for altering established policies are an example of trying to initiate change. Requesting product specifications, distributing goods on a timely basis, and presenting a financial statement are not examples of persuasion because a change in attitude or behavior is not the primary goal.

SOURCE: EI:012 Persuade others

SOURCE: LAP-EI-912—Win Them Over (Persuading Others)