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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1. Which of the following approaches is most effective for a business to maintain financial control using accounting information:
   A. Improving product quality as part of cost-benefit analysis
   B. Tracking performance to identify trends and make data-driven decisions
   C. Changing suppliers to adjust input costs and negotiate better contract terms
   D. Minimizing and controlling risk through financial forecasting

2. Leo is heading a change in his company and faces major backlash from employees who believe the change will result in extra work, despite Leo knowing this will not be the case. Leo can improve overall morale by being
   A. defensive.
   B. dismissive.
   C. secretive.
   D. transparent.

3. A furniture manufacturer is facing a decrease in market share and is considering several analysis techniques to address both its weaknesses and outside threats effectively. Which of the following business analysis techniques would be most helpful:
   A. PESTLE, because it focuses on external environmental factors.
   B. MoSCoW, because it prioritizes project requirements and tasks.
   C. MOST, because it aligns objectives with mission and strategy.
   D. SWOT, because it considers internal and external factors.

4. Anthony interviews for an open position at an accounting firm. Which economic freedom is Anthony demonstrating?
   A. Freedom to choose which laws to obey
   B. Freedom to own, use, buy, and sell private property
   C. Freedom to control all the money you earn
   D. Freedom to compete for jobs

5. Which of the following is an example of a value:
   A. Charity donations
   B. Generosity
   C. Tutoring
   D. Attending church

6. DeAngelo is heading a T-shirt campaign and is pressed for time. He submits a large order for rush delivery to the United States from the U.K. However, when the shipment arrives, he realizes that the T-shirt company printed the word "color" with the British spelling, "colour." DeAngelo could have better managed the product risk by
   A. requesting T-shirts with both spellings.
   B. completing a pre-shipment product inspection.
   C. being an expert on British culture and customs.
   D. manufacturing the T-shirts himself.

7. Which of the following best demonstrates the make function of supply chain management:
   A. Restocking returned products
   B. Product testing and packaging
   C. Sorting and labeling products
   D. Choosing suppliers to do business with

8. Lena is a project manager who is unsatisfied with an employee's work; however, she recognizes their effort and doesn't want to discourage them. Which of the following is the most effective approach Lena could take when meeting with the employee:
   A. Cancel the meeting and hope they will improve their work on their own.
   B. Explain that their work is not up to standard and they risk being replaced.
   C. Reassign their tasks to another employee on the team.
   D. Express appreciation for their hard work, then suggest ways to improve.

9. Which of the following statements best explains how a bibliography supports the credibility of a research report:
   A. It briefly outlines all the important aspects of the report.
   B. It summarizes all the information in the report and its significance.
   C. It lists all the sources the researcher used to prepare the report.
   D. It justifies each outcome by linking results to the hypothesis.

10. Which of the following situations illustrates a business process changing due to technological factors:
    A. A restaurant offers a new discount on lunch and dinner items on the menu.
    B. A logistics firm begins implementing artificial intelligence into its processes.
    C. An accounting firm downsizes by laying off two dozen remote employees.
    D. A department store opens a new location in a busier part of the city.

11. While reviewing the employee handbook, Xavier encountered a guideline that didn't make sense. Xavier is hesitant to ask his manager in case they think less of him. What should Xavier do?
    A. Search online for the answer.
    B. Skip the guideline and move on.
    C. Suggest the guideline be replaced.
    D. Ask his manager anyway.

12. Jeweler A uses cost-based pricing to price its pieces. It cost $50 to make, so the company decides to sell the item for $75 to make a $25 profit. A competing jeweler, Jeweler B, responds by pricing a similar piece at $65. This example illustrates which of the following downsides of cost-based pricing:
    A. It decreases the market value.
    B. It increases tensions between businesses.
    C. It is easy for competitors to undercut each other.
    D. It does not maximize profit.

13. Which of the following would be considered the top priority for a supply chain:
    A. Reverse logistics
    B. Warehousing
    C. Order fulfillment
    D. Automation

14. Consultants help a company enhance its data management practices through regular data monitoring and ongoing issue identification. This best demonstrates which of the following ways in which data management consulting can help businesses:

   A. Continuous improvement and support

   B. Developing data management strategies

   C. Training and knowledge transfer

   D. Assessing previous data management practices

15. A burger restaurant made headlines recently after many customers reported feeling ill after their meals. An investigation concluded that the restaurant failed to abide by the national health standards when preparing their onions. Since the story, the restaurant's image has been damaged. Which of the following types of risks has the business fallen subject to:

   A. Technological

   B. Financial

   C. Reputational

   D. Circumstantial

16. A company is analyzing its income statement to prepare for an upcoming financial audit. Which of the following combinations of costs should the company categorize under operating expenses?

   A. Raw materials, packaging, and shipping costs

   B. Sales revenue from goods and services

   C. Total revenue before subtracting expenses

   D. Employee salaries, utilities, and insurance

17. Amber is the only graphic designer for her company. Although her workload is high, she likes being entrusted to work on important projects, as she hopes to leverage that experience into a promotion soon. However, when she learns that the company is looking to hire a young, inexperienced graphic designer to help her with her workload, she is defiant because she doesn't want to share her knowledge and make herself expendable. This demonstrates which of the following ethical issues that affect the knowledge management process:

   A. Research ethics

   B. Intellectual property rights

   C. Self-interest

   D. Data privacy

18. The ZRAJ Corporation extracts information from a variety of sources and creates useful information from new information. This describes which stage of the knowledge management process?

   A. Audit

   B. Capture

   C. Optimize

   D. Deliver

19. Which of the following investments is considered the highest risk:

   A. Rare baseball card

   B. Mutual fund

   C. New house

   D. Certificate of deposit

20. Which of the following is a helpful tip for negotiating with vendors:
    A. Do not mention the competition.
    B. Always tell the truth.
    C. Avoid asking about incentives.
    D. Think short-term.

21. Alvin manages the social media account for a small business. Which of the following posts best demonstrates an appropriate use of the account:
    A. Sharing a customer testimonial
    B. Sharing his thoughts on an important political issue
    C. Posting a humorous meme unrelated to the business
    D. Posting a photo from his recent vacation

22. Which of the following statements is true:
    A. A brand promise is used to communicate touchpoints.
    B. A brand promise is different from a slogan.
    C. A logo competes with a brand promise.
    D. A slogan is another name for a brand promise.

23. As a small business has grown, it's hired additional employees, which has resulted in increased production. Recently, the business added even more employees, but the level of production has decreased as a result. The increase in employees has most likely led to a decrease in production because of
    A. more frequent distractions.
    B. a lack of motivation and dedication.
    C. limited workspace and equipment.
    D. experienced employees spending more time training than in production.

24. Typically, federal consumer protection laws were created to promote which of the following:
    A. Employee education and training
    B. Environmental regulations
    C. Fair trade and product safety
    D. Intellectual property rights

25. A project manager identifies the objective, team members, and time frame of a project. This describes which of the following steps of the project initiation process:
    A. Establishing a project charter
    B. Conducting a feasibility study
    C. Creating a business case
    D. Identifying stakeholders

26. After a company's general manager (GM) accepts a new position, Eva is made interim GM. Eva worked closely with the previous GM and feels confident in her abilities but quickly learns that she may be in over her head. Which of the following is the best way for Eva to move forward in her new position:
    A. Complain to her employees
    B. Ask others in the office to carry out the tasks she is uncertain about
    C. Accept the discomfort and be willing to learn from others
    D. Request to return to her old position

27. Which of the following scenarios poses the most significant risk of phishing:
    A. Luna receives a phone call asking for her bank account information.
    B. Alex receives a company's marketing emails even though they didn't sign up for them.
    C. Diego receives a suspicious text message asking for his social security number.
    D. Mari receives a suspicious email asking to verify her credit card information.

28. Alana is energetic and works hard. At work and school, she doesn't just do the bare minimum—she goes above and beyond what is expected of her. This is an example of
    A. industriousness.
    B. empathy.
    C. creativity.
    D. assertiveness.

29. After nearly 50 years with the same company, Paul informs management that he is retiring at the end of the month. Because Paul has a wealth of knowledge, the company wants to interview him and document his knowledge so that it can be passed on to others. What is the company doing in this scenario?
    A. Knowledge harvesting
    B. Exploratory research
    C. Quality control
    D. Knowledge mapping

30. Tyler's request to reassign tasks between departments has just been approved, and he is now testing the change. Which phase of the change management life cycle is Tyler operating within?
    A. Resolution
    B. Planning
    C. Verification
    D. Evaluation

31. A local nonprofit organization is hosting a community event and needs a sponsor. Ava is asked to write a persuasive message to the owner of a local business, encouraging them to become a sponsor. Which of the following strategies would be most effective to include in her message:
    A. Inform them that sponsoring the event will be a massive commitment.
    B. Outline the event details without mentioning any benefits for the business.
    C. Explain how sponsoring the event will benefit her nonprofit organization.
    D. Emphasize how sponsoring the event will benefit the business's visibility in the community.

32. Which of the following statements about a supply chain network is true:
    A. It involves the flow of both materials and information.
    B. It primarily focuses on production rather than the consumer.
    C. It is another name for reverse logistics.
    D. It is considered a simple sequential and linear process.

33. Jenn works for a small pet grooming company. Her manager has tasked her with creating and launching a website so customers can schedule appointments online. She has a $100 budget per month and a short deadline. Jenn has other responsibilities and wants to minimize time spent learning coding languages or maintaining the site. What method of website creation makes the most sense for Jenn?
    A. Use a freelancing service like Fiverr to build and maintain the website.
    B. Use a website-building service like WordPress or Wix that requires little or no coding.
    C. Create the website from scratch by learning HTML, CSS, and JavaScript.
    D. Hire a full-time web developer to build and maintain the website.

34. A company's research and development team has been tasked with creating a research report on one of its recently released products. If the team is detailing the results in the report, which of the following sections is it developing:
    A. Abstract
    B. Findings
    C. Introduction
    D. Conclusion

35. Anurag is completing employee orientation and various types of paperwork (insurance, tax withholding, direct deposit, etc.). He has also been invited to tour the facility. At what stage of the hiring process is Anurag in?
    A. Onboarding
    B. Screening
    C. Interviewing
    D. Recruiting

36. Which of the following best describes a defendant in the litigation process:
    A. The party that makes a formal legal complaint
    B. The body of people sworn to give a verdict based on evidence
    C. The party that answers a complaint and defends themselves
    D. The person who presides over the court proceeding

37. Oil, steel, and lumber are examples of
    A. capital goods.
    B. finished goods.
    C. supply chains.
    D. raw materials.

38. To protect digital customer data, businesses should implement data
    A. analysis.
    B. modification.
    C. anonymization.
    D. destruction.

39. Which of the following is a job title that commonly falls under human resources management:
    A. Employee relations manager
    B. Sustainability specialist
    C. Business analyst
    D. Quality manager

40. Reporting employee misconduct can be difficult when the behavior is perpetuated by upper management. How can a business encourage ethical behavior in its workspace?
    A. Promote transparency and accountability
    B. Only address misconduct when it involves lower level employees
    C. Use resources properly
    D. Reward employees who report instances of misconduct by upper management

41. Yahyah is the leader of an ambitious project. With lots to do, she begins by dividing the project into steps: First estimate the cost, then establish dependencies, then determine a project deadline and schedule, then create an action plan, then assign job tasks and responsibilities, and so on. Yahyah is using a _____ breakdown structure to complete the project.
    A. risk
    B. work
    C. cost
    D. product

42. A company's employees often spend hours searching through dozens of files and exchanging messages before finally locating the information they need. What tool could help them?
    A. Organizational chart
    B. Candlestick chart
    C. Site map
    D. Knowledge map

43. Cordelia knows the importance of having a clearly defined line of authority that connects all employees in the organization, so she works hard to make sure the relationships between employees and authority are clear. In other words, Cordelia respects and implements
    A. business ethics.
    B. altruism.
    C. a code of conduct.
    D. the scalar principle.

44. Greatest value for money, new product features, instant gratification, and value-driven companies are examples of
    A. consumer demands.
    B. globalization.
    C. spending trends.
    D. innovation.

45. A company's cash flow statement for the fiscal year states that its cash flow from operating activities is $1,450,000 and its cash flow from capital expenditures is $1,050,000. What is the company's free cash flow?
    A. $1,500,000
    B. $500,000
    C. $400,000
    D. $2,500,000

46. Which of the following is a data change best practice:
    A. Changing data in only one location
    B. Avoiding regular audits of datasets
    C. Erasing all old data when it is no longer used
    D. Submitting change requests before adjusting data

47. A key reason why businesses aim for continuous improvement in the quality process is to
    A. encourage creativity.
    B. increase costs for their partners.
    C. increase customer satisfaction.
    D. eliminate employee turnover.

48. Mediation is different than arbitration in that mediation
    A. is conducted with a single mediator.
    B. is a binding process.
    C. can be used to solve a conflict.
    D. requires multiple people to serve as judges.

49. Which of the following scenarios demonstrates a business with formalized purchasing policies:
    A. A company's purchasing policies gain buy-in from senior management.
    B. A business has its purchasing policies laid out in writing.
    C. A small business regularly reviews and edits its purchasing policies.
    D. A corporation includes dollar amounts and clear examples in its purchasing policies.

50. Based on the data from its recent survey, a business learns that its products are most popular among married men in their late 20s with higher yearly incomes. This is an example of which type of information collected during an environmental scan?
    A. Government
    B. Society and culture
    C. Economy
    D. Demographics

51. Which of the following is a career area in finance:
    A. Insurance
    B. Operations management
    C. Human resources management
    D. Professional selling

52. Many companies have leveraged artificial intelligence to streamline picking, sorting, and packing processes in warehouses. This demonstrates how technology impacts which function of supply chain management?
    A. Return
    B. Make
    C. Deliver
    D. Plan

53. Which of the following is an activity involved in managing stakeholder engagement:
    A. Addressing potential concerns and future problems
    B. Stakeholder analysis and evaluation
    C. Determining stakeholder communication requirements
    D. Identifying how the project will affect stakeholders

54. A project is different than a business's day-to-day operations because a project
    A. has a definite beginning and end.
    B. is an ongoing process.
    C. does not rely on lower level managers.
    D. is a long-term endeavor.

55. Benjamin has been tasked with creating an analytical report for his company. What should he do to get started on the report?
    A. Make recommendations
    B. Identify the issue or question
    C. Choose a format
    D. Gather relevant information

56. A shoe manufacturer is working with a new system that tracks the quantity of raw materials, monitors the development stages of products, and records the finished goods that are ready for sale. In this scenario, what type of business record is the manufacturer using?
    A. Financial
    B. Promotional
    C. Legal
    D. Inventory

57. When inflation rates shift too often, it creates _____ for businesses that can affect the entire economy.
    A. hiring expenses
    B. imports
    C. menu costs
    D. exchange rates

58. Which of the following best demonstrates how geopolitical tensions can disrupt supply chains:
    A. A hurricane prevents a city from shipping goods.
    B. A company inaccurately forecasts specific products.
    C. A country places an embargo on certain products.
    D. A country faces major labor shortages.

59. A beverage company keeps its signature recipe private. In fact, only a few employees know the recipe and where to find it, as these individuals take reasonable steps to ensure its confidentiality. This best describes a
    A. tacit knowledge.
    B. knowledge management.
    C. trade secret.
    D. data encryption.

60. Which of the following is a common reason why companies implement business process change:
    A. To stay competitive with new firms
    B. To decrease profitability
    C. To further viral marketing efforts
    D. To attract new employees

61. Which of the following is a benefit of project scheduling:
    A. It includes hard deadlines that stress employees out.
    B. It reduces creativity.
    C. It limits the ability to adapt to unexpected changes.
    D. It provides a clear picture of the requirements set before you.

62. Eliza is a manager at a supermarket. To prevent any issues with time-tracking, she sets rules for how employees should clock in and out for shifts. What type of managerial control is Eliza exemplifying?
    A. Feedback
    B. Feedforward
    C. Free rein
    D. Concurrent

63. Dennen doesn't love his college major, but he's comfortable with his professors and knows what to expect from his classes. His friends encourage him to switch majors, but he doesn't want to leave his comfort zone. Dennen is having trouble adapting to new circumstances due to
    A. lack of control.
    B. contentment.
    C. anticipation.
    D. fear.

64. Siya is the team leader on a project with an upcoming deadline. Which of the following is the most effective way for Siya to ensure her team produces a polished project by the deadline:
    A. Request an extension on the deadline.
    B. Delegate tasks based on her team members' strengths.
    C. Divide tasks among the most experienced team members.
    D. Take on all the remaining tasks by herself.

65. While implementing a new knowledge management system, an e-commerce company selects employees from several departments—including information management, human resources, marketing, and customer service—to help with the process. This scenario best demonstrates which of the following knowledge management activities:
    A. Selecting a knowledge leader
    B. Developing knowledge bases
    C. Choosing appropriate technology
    D. Creating a knowledge team

66. A company learns that it is being sued by a customer for producing a defective product. If the company wants to avoid the negative press that comes with a lawsuit, what can it do?
    A. Ignore the lawsuit
    B. Offer a settlement
    C. Hire an expensive lawyer
    D. File a separate lawsuit

67. During business process design, which of the following questions would a company ask first:
    A. What will our new processes look like?
    B. How will we implement our new processes?
    C. Why do we need to change our current processes?
    D. How will we execute our plan of action?

68. Wag World clearly explains its pricing policies so customers know there are no hidden fees. Which benefit of open, honest communication is Wag World likely to experience?
    A. Better conflict resolution
    B. Better ideas
    C. Increased productivity
    D. Increased sales

69. A fast-food restaurant needs to make a one-off purchase of five tables and 20 chairs for its dining area to be delivered in a week. What type of purchase order would be best in this situation?
    A. Contract
    B. Standard
    C. Planned
    D. Blanket

70. Which of the following best describes the project sponsor:
    A. The person driving the vision
    B. The person managing day-to-day operations
    C. The person assigned different project tasks
    D. The person in charge of resource allocation

71. Millie, a physician assistant, uses simple, easy-to-understand language when providing a patient with details about their new medication. What is the purpose of Millie's presentation?
    A. To persuade
    B. To inform
    C. To entertain
    D. To convince

72. Vicki gains valuable experience and hands-on training working in a medical residency. This is an example of
    A. explicit knowledge.
    B. knowledge base.
    C. information overload.
    D. tacit knowledge.

73. Who validates a project's scope?
    A. High-level company executives
    B. The entire project team
    C. The customer or stakeholder
    D. The project manager

74. To be a good team member, try to imagine yourself as a
    A. cheerleader, who encourages the team by being cheerful and upbeat.
    B. researcher, who has answers to all of the questions the team might have.
    C. scribe, who silently takes down notes about what the others are thinking.
    D. dictator, who makes decisions independently to speed along progress.

75. Luke is driving to his friend's house. He decides that he doesn't need to wear his seatbelt because it is a very short drive. This is an example of a _____ risk.
    A. repayment
    B. reputational
    C. health and safety
    D. relationship

76. Elena wants to use a work breakdown structure for her upcoming project. What would be the most effective first step?
    A. Organize the project deliverables into work packages.
    B. Create a rough draft of the project for review.
    C. Break the project down into key phases and deliverables.
    D. Define the project scope and objectives.

77. A local restaurant pays for ingredients, equipment, and labor, as well as the supplies used to keep the kitchen clean and cooking equipment running smoothly. The cleaning supplies could be classified as what type of inventory?
    A. Buffer inventory
    B. Raw materials
    C. Work-in-process inventory
    D. Maintenance, repair, and operations (MRO) goods

78. Which of the following best illustrates a business effectively using technology to manage risk:
    A. A software company uses social media to promote its newest product launch.
    B. A manufacturing company uses email and instant messaging to improve communication between departments.
    C. A financial institution uses real-time monitoring software to detect and prevent fraudulent transactions.
    D. A retail company uses customer data to improve its targeted advertising campaigns.

79. Which business element has the greatest impact on product delivery?
    A. Digital marketing
    B. Inventory control
    C. Supply chain management
    D. Accounting

80. As a project manager, Portia enrolls her team in an intranet system that enables them to easily stay up to date on announcements, monitor task lists, and connect with one another. Portia exemplifies how organizing
    A. provides a sense of security for employees.
    B. creates a clear chain of command that clarifies authority.
    C. aligns goals with the business's mission.
    D. improves efficiency, accountability, and communication.

81. When it comes to establishing and sustaining good vendor-supplier relationships, which of the following techniques is most important:
    A. Overpromising your suppliers
    B. Providing feedback only when necessary
    C. Maintaining consistent and open communication
    D. Avoiding conversations about challenges and risk

82. Drew is a supply chain manager who always does his best to keep in mind the original intent of the rules and regulations governing his industry. This is an example of how supply chain professionals should
    A. demonstrate transparency.
    B. respect customers' rights.
    C. promote fairness and equality.
    D. follow the spirit of the law.

83. Which of the following is an advantage of starting a sole proprietorship:
    A. The owner receives 100% of the income from the business.
    B. The owner has full liability for payments by the business.
    C. Sole proprietorships attract high-value employees who seek to form a partnership.
    D. Investors are attracted to sole proprietorships.

84. Which of the following situations demonstrates ethical knowledge management:
    A. Grady creates a how-to manual for a software system, then is laid off by his company.
    B. During a job interview, Louisa shares a new process she developed at her current employer.
    C. J.P. discards customer satisfaction surveys after quickly reading them.
    D. Odin doesn't share specific details about his customer's personal family problems.

85. Which of the following is a benefit of process thinking:
    A. It gives businesses a competitive edge.
    B. It helps businesses produce acceptable work.
    C. It boosts efficiency, profitability, and costs.
    D. It completely eliminates complex challenges.

86. A company's new software project is behind schedule due to unforeseen delays. To meet the original deadline, the company hires two more software developers and offers incentives for overtime work. What is this an example of?
    A. Prioritizing cost-effectiveness
    B. Delegating responsibilities
    C. Crashing a project
    D. Fast-tracking a project

87. Raj and Sofia both work in finance for different companies. Raj's company prioritizes profit maximization, which heavily influences decision-making, while Sofia's company incorporates ethical considerations as a primary focus. This is an example of how _____ can lead to unethical behavior.
    A. conformity
    B. sunk costs
    C. groupthink
    D. framing

88. Melissa was asked to take on a new project at work. Although she wants to impress her boss and peers, she is already stressed about her current projects. She declines the work to focus on her current responsibilities. Which time-management principle is Melissa applying?
    A. Know when and how you work best.
    B. Don't bite off more than you can chew.
    C. Avoid interruptions and distractions.
    D. Determine which tasks are important and urgent.

89. Which of the following is a characteristic customers seek in quality goods:
    A. Durability
    B. Empathy
    C. Tangibles
    D. Responsiveness

90. An electronics company is having issues with projecting future business outcomes. What feature of project management software could help the company?
    A. Forecasting
    B. Document sharing
    C. Internal messaging
    D. Scheduling

91. Which of the following statements about arbitration is true:
    A. One involved party selects each of the arbitrators.
    B. It can take place if only one party agrees to it.
    C. The arbitrator tribunal's decision can be changed.
    D. It is neutral and often private.

92. A restaurant aims to give the impression that it is upscale with a high-priced menu and black-tie wait service. This is an example of how companies look to
    A. achieve stability.
    B. increase sales.
    C. support a cause.
    D. project a certain image.

93. A toy manufacturer creates a toy that meets minimum expectations and standard levels, which means it cannot be deemed a failure. The toy is considered _____ quality.
    A. appropriate
    B. aspirational
    C. acceptable
    D. accountable

94. A project plan has a few basic components. Which of the following is a question that the project purpose and scope component aims to answer:
    A. In what ways is risk being assessed and minimized?
    B. What are the deadlines the project needs to hit?
    C. Why is the business undertaking this project in the first place?
    D. How can we ensure that quality remains a priority?

95. Which of the following is the goal of Six Sigma:
    A. Increase variation and efficiency
    B. Prioritize profits and production over quality
    C. Create multiple complex production processes
    D. Achieve a level of quality that is nearly perfect

96. While in the warehouse, Breanna accidentally bumps into a shelf, causing several packages to fall and break. The next morning, Breanna's manager confronts her team and asks what happened. Breanna claims she has no idea. Breanna is demonstrating unethical behavior by
    A. misusing resources.
    B. lacking accountability.
    C. acting disrespectfully.
    D. stealing from the company.

97. To protect sensitive information, the first thing a business should do is
    A. pay insurance premiums.
    B. recover data.
    C. identify risks.
    D. calculate accounts payable.

98. Grayson has a report due in one month. However, he writes in his planner to complete it in three weeks. Which of the following is the most logical reason for why Grayson would do this:
    A. To ensure he has adequate time to review his work before it is due
    B. To complete the report early so that he can do nothing for a week
    C. To challenge himself to complete and submit the report as quickly as possible
    D. To prevent others from knowing the report's actual due date

99. To weed out any defective products, a cell phone manufacturer measures its products against predetermined standards after they are created. This best describes quality
    A. control.
    B. excellence.
    C. assurance.
    D. improvement.

100. Effective supply chain communication is achieved with
    A. frequent delegation.
    B. production delays.
    C. transparent data.
    D. on-time shipments.

Business Management and Administration Cluster Exam

BLTDM – Business Law and Ethics Team Decision Making Event

HRM – Human Resources Management Series Event

1. B

Tracking performance to identify trends and make data-driven decisions. The overall purpose of accounting is to control finances by keeping accurate financial information. A business uses that accounting information to maintain financial control by tracking its performance and planning for the future. By tracking its performance, a business reviews its accounting information to find out if it is earning a profit, what the sales revenues are, the amount of operating expenses, the cost of goods sold, return on investments, and its net worth, or total value. Then, the business uses this information to determine if it is meeting its goals, to obtain loans, to calculate taxes, and to identify sales trends. Based on this information, the business can make data-driven decisions and, if necessary, changes to stay in good financial shape. While improving product quality, changing suppliers, and minimizing risks can involve financial considerations, they are more specific strategies rather than comprehensive methods for maintaining overall financial control with accounting information.

SOURCE: FI:085 Explain the concept of accounting

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

2. D

Transparent. If Leo is transparent about the change and assures his employees that it will not result in extra work, he will improve their overall morale. If Leo chooses to be defensive, dismissive, or secretive, he will create a greater divide between himself and his employees, which will result in even more backlash.

SOURCE: SM:095 Explain the nature of change management

SOURCE: Hanna, K.T., Lawton, G., & Pratt, M.K. (2024, April). *Change management.* Retrieved October 25, 2024, from https://www.techtarget.com/searchcio/definition/change-management

3. D

SWOT, because it considers internal and external factors. A SWOT analysis is used to identify a business's strengths, weaknesses, opportunities, and threats. When using SWOT analysis, businesses do a thorough look into the internal (strengths and weaknesses) and external (threats and opportunities) factors at play in the space the business operates in. Because the furniture manufacturer in this scenario is looking to address both internal and external factors, a SWOT analysis would be most helpful. A PESTLE analysis focuses solely on external environmental factors—Political, Economic, Social, Technological, Legal, and Environmental. A MOST analysis—which stands for Mission, Objectives, Strategy, and Tactics—is used to align a company's goals with its strategy rather than analyzing current internal or external factors. A MoSCoW analysis is a prioritization framework (Must-have, Should-have, Could-have, and Won't-have) and is used to help teams understand which tasks to focus on and how to prioritize requirements that provide the best return on investment.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: Adesope, B. (2017, May 10). *Top 5 techniques in business analysis.* Retrieved October 31, 2024, from https://www.batimes.com/articles/top-5-techniques-in-business-analysis

4. D

Freedom to compete for jobs. The freedom to compete allows you to market your assets to your best advantage. This means you are free to compete for a scholarship, customers, or a job. The freedom to own, use, buy, and sell private property is an important freedom in the private enterprise system, but is not being displayed in this example. Citizens are not able to choose which laws to obey. As taxpayers, individuals don't have the freedom to control all the money they earn, since the government collects taxes.

SOURCE: EC:009 Explain the concept of private enterprise

SOURCE: LAP-EC-909—People Power (The Private Enterprise System)

5. B

Generosity. Values are the ideas, morals, and characteristics that are most important to you. Some well-known examples of values include achievement, honesty, courage, and generosity. Donating to charity, attending church, and tutoring are examples of behaviors that support values.

SOURCE: EI:126 Assess personal behavior and values

SOURCE: LAP-EI-126—Assess Yourself (Assessing Your Personal Behavior and Values)

6. B

Completing a pre-shipment product inspection. Pre-shipment inspections reduce the risk of shipping or receiving a defective product. If an issue is detected, it generally can be resolved quickly since it has not yet been shipped. On the other hand, if the product has already been shipped, it can take weeks or even months to resolve. It would not have made sense for DeAngelo to request the T-shirts with both spellings if he only wanted the American spelling. While helpful, it is not necessary for DeAngelo to be an expert on British culture and customs to minimize the risk of his T-shirts being manufactured incorrectly. It would be impossible for DeAngelo to manufacture a large order of T-shirts in a short period of time all by himself.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Franco, R. (2024, January 29). *6 risks you need to manage when expanding your global footprint.* Retrieved October 28, 2024, from https://www.usbank.com/financialiq/plan-your-growth/open-new-markets/5-risks-you-need-to-manage-when-expanding-your-global-footprint.html

7. B

Product testing and packaging. Supply chain management (SCM) is the process of overseeing the flow of products, information, and finances, from raw materials to finished products. The make function of SCM refers to the coordination and oversight of the manufacturing process. The manufacturing process is more than just the creation of a product. It includes all the steps required to create a high-quality finished product and prepare that product for delivery, such as product scheduling, managing capital goods, assembling the product, product testing, and packaging. Choosing suppliers to do business with is part of the source function of SCM. Sorting and labeling products is part of the deliver function. Restocking returned products is part of the return function.

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

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

8. D

Express appreciation for their hard work, then suggest ways to improve. To ensure that she doesn't discourage the employee, it is wise for Lena to start their meeting by expressing appreciation for their hard work. This will make the employee more receptive to Lena's feedback without discouraging them. A manager should provide stability and structure, so explaining to the employee that their work is not up to standard and that they risk being replaced would only threaten the employee's job security and worsen the situation. Reassigning the employee's tasks to another employee on the team would communicate that Lena has lost confidence in their abilities. Canceling the meeting and hoping they will improve their work on their own is an ineffective strategy.

SOURCE: SM:066 Discuss managerial considerations in directing

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

9. C

It lists all the sources the researcher used to prepare the report. A bibliography contains a list of all the research sources used to prepare the report. A conclusion comes at the end of the report. It is a summary of all the information in the report and outlines the significance of the entire study. An abstract is a brief overview that highlights all the important aspects of the research in a concise manner. The discussion section of a research report further explains the findings of the research, as it presents a justification for each research outcome and demonstrates how the results align with the hypothesis.

SOURCE: CO:186 Write research reports

SOURCE: Longe, B. (2023, July 27). *Research report: Definition, types + [writing guide].* Retrieved October 24, 2024, from https://www.formpl.us/blog/research-report

10. B

A logistics firm begins implementing artificial intelligence into its processes. Technology can cause a business to change its processes, such as when a new technology becomes available or an old technology becomes obsolete. Artificial intelligence is an example of an emerging technology that more and more businesses are beginning to use. A restaurant offering discounts, a department store opening a new location, and an accounting firm downsizing are not changes based on technological factors.

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

SOURCE: Gleeson, P. (2019, February 12). *Factors that may cause change in an organization.* Retrieved November 5, 2024, from https://smallbusiness.chron.com/factors-may-cause-change-organization-203.html

11. D

Ask his manager anyway. If you don't understand a certain guideline, don't be afraid to ask questions—your managers would much rather you ask for clarification before a problem arises than after one has already occurred. Xavier should review all company guidelines without skipping them. If Xavier searched the guidelines online, he may be provided with a different understanding of them than what the company expects. Xavier should not suggest for the guideline to be replaced just because he doesn't fully understand it.

SOURCE: PD:250 Adhere to company protocols and policies

SOURCE: LAP-PD-250—Do You Follow? (Adhering to Company Protocols and Policies)

12. C

It is easy for competitors to undercut each other. When Jeweler B learned that Jeweler A was selling a similar piece for $75, they responded by setting the price of their piece to $65, making it more appealing to customers and demonstrating how easy it is for competitors to undercut each other. One of the upsides of cost-based pricing is that a company can establish the price of its products in relation to the cost of making them, better enabling them to maximize profit. Competition is a natural player in the market and does not necessarily increase tensions between businesses. Just because Jeweler B sets the price of its piece lower than Jeweler A does not mean that the market value of the piece has decreased.

SOURCE: OP:024 Explain the nature of overhead/operating costs

SOURCE: LAP-OP-024—Watch Your (Over) Head (Overhead/Operating Costs)

13. C

Order fulfillment. The primary goal of supply chains—and supply chain management—is order fulfillment, or the receiving, processing, and shipping of customers' orders. Reverse logistics refers to the backward movement of products through the supply chain, from customers to distributors, manufacturers, or suppliers. Automation is a method of operating or controlling a process in which tasks are completed by automatic means, such as technology, reducing human effort and labor. Warehousing is a component of order fulfillment and supply chain management, but it is not the top priority of a supply chain.

SOURCE: OP:677 Discuss ethical considerations in supply chain management

SOURCE: LAP-OP-677—The Supply Chain Standard (Ethics in Supply Chain Management)

14. A

Continuous improvement and support. Data management consulting can help businesses in a variety of ways, such as assessing current data management practices, developing data management strategies, implementing data management tools and technologies, training and knowledge transfer, and continuous improvement and support. Because the consultants are helping the company enhance its data management practices through regular data monitoring and ongoing issue identification, they are offering continuous improvement and support. Continuous improvement and support of data management by consultants ensures that data remain accurate, easily accessible, and reliable. Assessing previous or current data management processes involves evaluating existing data management practices before making changes or improvements. Developing data management strategies involves consultants collaborating with the business to create personalized strategies that align with the business's unique goals. Training and knowledge transfer involves educating employees on key data management concepts.

SOURCE: NF:264 Adhere to data change best practices

SOURCE: Miya, A. (2020, December 14). *Four data management best practices.* Retrieved October 29, 2024, from https://www.gofurther.com/blog/4-data-management-best-practices

15. C

Reputational. Reputational risk is when a company suffers threats to its reputation as a result of negative publicity, corporate scandals, or other high-profile problems that erode the public's trust in the organization. Financial risk occurs when a business experiences substantial financial losses and other threats to its financial health due to market fluctuations, late payments from customers or partners, or a lack of liquid assets, creating an inability to meet short-term financial obligations. Technological risk involves a business possessing technology that is outdated or vulnerable to security breaches, as well as the potential risks of implementing new technologies. Circumstantial risk is not a type of business risk.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: Gerdeman, D. (2024, September 20). *Types of business risks and ideas for managing them.* Retrieved November 1, 2024, from https://www.americanexpress.com/en-us/business/trends-and-insights/articles/7-business-risks-every-business-should-plan-for/

16. D

Employee salaries, utilities, and insurance. An income statement is a summary of a business's income and expenses over a period of time. Simply put, it summarizes where the business's money came from and where it went. It is a financial picture that lists all revenues and expenses for a certain time period, usually one year. An income statement has at least five categories: revenue, cost of goods sold/cost of sales, gross profit, operating expenses, and net income/profit. Employee salaries, utilities, insurance, mortgage or rent, and administrative costs are expenses that fall into the operating expenses category of an income statement. Sales revenue from goods and services falls into the revenue category. Raw materials, packaging, and shipping costs fall into the cost of goods sold/cost of sales category. Total revenue before subtracting expenses refers to gross profit.

SOURCE: FI:094 Describe the nature of income statements

SOURCE: LAP-FI-094—Watch Your Bottom Line (Income Statements)

17. C

Self-interest. In this scenario, Amber is faced with the ethical issue of self-interest. While the benefits of sharing knowledge are undeniable, sometimes it can be tempting to keep personal knowledge to yourself. If you've worked hard to develop a skill or uncover a solution to a problem, it might be difficult to want to give that hard-earned knowledge away. Also, if that knowledge helps you move forward in your career, your competitive side might encourage you to keep it to yourself so no one else can get ahead of you. This scenario does not demonstrate the ethical issues of data privacy, research ethics, or intellectual property rights that affect knowledge management.

SOURCE: KM:002 Discuss the role of ethics in knowledge management
SOURCE: LAP-KM-002—Know What's Right (Ethics in Knowledge Management)

18. B

Capture. Knowledge management is the process of creating, identifying, collecting, organizing, sharing, and using knowledge and knowledge sources for the benefit of the organization or business. The process is split into six stages: prioritize, audit, capture, curate, deliver, and optimize. The capture stage involves both extracting useful information from a variety of sources and creating new information identified during the audit stage. A knowledge audit, the second stage of the knowledge management process, involves finding and assessing the knowledge you already possess and identifying gaps that exist. The deliver stage involves delivering, or distributing, the knowledge. The optimize stage involves incorporating AI, machine learning, and analytics to process knowledge, offer solutions, and provide analysis to enable optimization of the system.

SOURCE: KM:018 Apply knowledge management processes
SOURCE: eGain. (2024). *What is a knowledge management process?* Retrieved October 30, 2024, from
        https://www.egain.com/what-is-knowledge-management-process

19. A

Rare baseball card. Collectibles (items that gain or lose value over time) are considered very high risk. To get a good return from a collectible, such as a rare baseball card, you have to be sure that the item is important to other people, not just you. You also have to be sure that the item will be more important to other people in the future. It's impossible to be absolutely certain of either one of these two things. You might not be able to sell the item at all—let alone for more money than you've paid for it. Real estate, such as a new house, and mutual funds are considered moderate risk. Certificates of deposit are considered low risk.

SOURCE: FI:077 Explain types of investments
SOURCE: LAP-FI-077—Invest for Success (Types of Investments)

20. B

Always tell the truth. When negotiating with vendors, it is important for businesses to always tell the truth. Using deceptive practices or hiding information from vendors can do more damage than good. Being honest and open when negotiating and sticking to the truth will demonstrate integrity and create a relationship that emphasizes transparency and respect. Mentioning the competition and asking for incentives are both good negotiation tactics. Rather than thinking short-term, businesses should think long-term when negotiating with vendors.

SOURCE: OP:337 Negotiate terms with vendors in business
SOURCE: Hudson, M. (2019, November 20). *10 tips on how to negotiate with wholesalers.* Retrieved
        November 1, 2024, from https://www.liveabout.com/how-to-negotiate-prices-and-more-2890063

21. A

Sharing a customer testimonial. Sharing a customer testimonial aligns with professional social media use for business purposes as it builds connections with customers, demonstrates appreciation, and enhances the business's reputation. Posting a picture from his vacation, his thoughts on an important political issue, or a humorous meme unrelated to his business are all inappropriate uses of the business's social media account and should be reserved for Alvin's personal account.

SOURCE: CO:206 Distinguish between using social media for business and personal purposes

SOURCE: Allen, N. (2024, October 10). *How to use social media to grow your business.* Retrieved November 7, 2024, from https://www.investopedia.com/use-social-media-to-grow-business-8391642

22. B

A brand promise is different from a slogan. A brand promise is the specific benefit that customers can expect from using a good/service and interacting with its company. It is not the same thing as a slogan (a memorable phrase used to advertise a product or brand). A brand promise is usually not stated in words, and most customers won't even be able to tell you what it is; however, they instinctively react to it when they think about the company or see its product(s). A logo is a symbol or design associated with a brand; it works together with a brand promise. A touchpoint is any interaction between a business and a customer or potential customer. Businesses use touchpoints to communicate the brand promise to their customers, not the other way around.

SOURCE: CR:001 Identify company's brand promise

SOURCE: LAP-CR-001—Share the Promise (Identifying Brand Promise)

23. C

Limited workspace and equipment. The law of diminishing returns states that as more variable inputs are added to a fixed input, the overall production will decrease. In this scenario, the added variable input is the increase in employees, and the fixed input is the small business. Issues involving distractions, training new employees, and lack of motivation all existed before the new round of hires, and because historically the increase in employees has led to an increase in production, we can use logic to rule these choices out. However, limited workspace and equipment is an issue that would only arise as the business reaches carrying capacity, which aligns with the business's trajectory. Therefore, we can deduce limited workspace and equipment to be the most logical reason why production has decreased.

SOURCE: EC:023 Explain the impact of the law of diminishing returns

SOURCE: LAP-EC-023—Know Your Limits (Law of Diminishing Returns)

24. C

Fair trade and product safety. Many federal consumer protection laws were created to promote fair trade and product safety. Fair trade laws promote competition and protect consumers from deceptive, unfair, and fraudulent practices in the marketplace. Product safety laws establish product safety requirements, issue recalls, ban dangerous products, and evaluate product hazards. Consumer protection laws mainly regulate the activities of businesses and manufacturers and do not oversee employee education and training and environmental regulations. Although there are laws that protect intellectual property, consumer protection laws mainly seek to protect customers, not businesses.

SOURCE: OP:339 Discuss legal considerations in operations

SOURCE: Bonner, M. (2019, September 5). *How consumer protection laws affect businesses.* Retrieved October 30, 2024, from https://www.thebalancemoney.com/how-consumer-protection-laws-affect-businesses-4161325

25. A

Establishing a project charter. A project charter is a document created at the initiation of the project that gives the project manager authority to complete the project. The project charter is one of the most important parts of the project initiation process, as it identifies the scope/objective of the project, the team members involved, and the project's possible time frame. Creating a business case is the first step of the project initiation process, as it explains how the project's goals align with the company's long-term plans. Conducting a feasibility study is the second step and comes after establishing a project charter. A feasibility study is an organized inquiry into the possible success of a business idea or venture. After establishing a project charter, then the project manager will identify stakeholders.

SOURCE: PJ:005 Initiate project

SOURCE: Kissflow. (2025, January 1). *Project initiation: A guide to starting a project the right way.* Retrieved January 28, 2025, from https://kissflow.com/project/project-initiation

26. C

Accept the discomfort and be willing to learn from others. The best way for Eva to move forward in her new position is to accept the discomfort and be willing to learn from others. If Eva isn't feeling at least some discomfort in her new position, she's probably not learning anything. If Eva is willing to learn from others with more experience, she will become increasingly capable of carrying out her new responsibilities on her own. Asking others in the office to carry out the tasks she is uncertain about adds more work to other employees' plates when they have their own responsibilities. It is normal to feel overwhelmed when starting a new position, and Eva should allow herself more time to settle in before deciding to return to her old position. Complaining to her employees will not solve anything and only lower employee morale.

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

SOURCE: Pascual, P. (2022, July 25). *7 things about change management and learning you may not know.* Retrieved October 25, 2024, from https://www.talaera.com/blog/7-things-about-change-management-and-learning-you-may-not-know/

27. D

Mari receives a suspicious email asking to verify her credit card information. Phishing is an online identity-theft scam that aims to steal personal information using fraudulent emails and fake websites. Phishing looks to fool its victims into believing they are submitting sensitive, personal information (such as credit card numbers or bank passwords) to a legitimate website. Because Mari receives a suspicious email asking her to verify her credit card information, this is an example of phishing. Diego receiving a suspicious text message asking for his social security number is an example of smishing, which employs deceptive text messages to lure victims into sharing personal information or clicking malicious links. Luna receiving a phone call asking for her bank account information is an example of vishing, which involves voice calls or voicemails to manipulate victims into divulging sensitive information. Alex receiving a company's marketing emails even though they didn't sign up for them is an example of spam email.

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

SOURCE: Childres, J. (2024, August 27). *Smishing vs. phishing vs. vishing: Understanding modern cyber threats.* Retrieved October 30, 2024, from https://www.hp.com/us-en/shop/tech-takes/smishing-vs-phishing-vs-vishing

28. A

Industriousness. Industrious people are energetic and hardworking on the job. People who are not industrious do the bare minimum to get by. If you want to demonstrate initiative, you need to go above and beyond what's expected from you. Alana's traits are not examples of empathy, creativity, or assertiveness.

SOURCE: EI:024 Explain the importance of demonstrating initiative

SOURCE: LAP-EI-024—Hustle! (Taking Initiative)

29. A

Knowledge harvesting. Knowledge harvesting is the process of capturing and sharing the knowledge and experience of people in an organization, often before they leave or move onto a different role. Knowledge harvesting involves interviewing experts, documenting knowledge, and sharing tacit knowledge so that it can be easily communicated, recorded, and stored to the benefit of everyone in the organization. Because the company wants to interview Paul and document his knowledge, the company is using knowledge harvesting in this scenario. A knowledge map is a tool for knowing what knowledge resides where and for illustrating patterns of knowledge. Quality control is a process businesses use to check for defects after products have been produced. Exploratory research refers to marketing research that collects information to help the business define its issue, situation, or concern and decide how to proceed with its research.

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

SOURCE: Bloomfire. (2018, February 1). *How knowledge harvesting can help your business.* Retrieved October 30, 2024, from https://bloomfire.com/blog/knowledge-harvesting-need

30. A

Resolution. Tyler is operating within the resolution phase of the change management life cycle, which includes testing and implementing the change. The evaluation phase of the change management life cycle occurs beforehand and entails defining and entering the change request, assessing and approving the change, and then planning the change. The verification phase involves confirming the implementation of the change. Planning is not a phase of the change management life cycle but rather a subset of the evaluation phase.

SOURCE: SM:096 Explain the change-management lifecycle

SOURCE: WalkMe. (2024, June 14). *The complete guide to the change management life cycle.* Retrieved October 25, 2024, from https://www.walkme.com/blog/change-management-life-cycle/

31. D

Emphasize how sponsoring the event will benefit the business's visibility in the community. This strategy highlights how sponsoring the event benefits the business directly, which is most likely to appeal to the owner. The other possible strategies—informing them that sponsoring the event will be a massive commitment, outlining the event details, and explaining how sponsoring the event will benefit her nonprofit—fail to identify the specific benefits for the business owner and will not be as persuasive.

SOURCE: CO:031 Write persuasive messages

SOURCE: Write for Business. (2024). *Writing to persuade*. Retrieved November 7, 2024, from https://writeforbusiness.com/book/write-business/chapter-11-writing-persuade

32. A

It involves the flow of both materials and information. A supply chain network refers to the association of several businesses that work together to produce finished goods from raw materials and deliver them to consumers. A supply chain network not only involves the flow of materials through a supply chain but also the flow of information. Businesses in a supply chain network share valuable information with each other with the main goal of serving the consumers. The main focus of a supply chain network is the consumer rather than production. A supply chain network used to be a simple sequential and linear process but has evolved into a highly dynamic process that calls for information sharing, real-time decision-making, and visibility across the network. Reverse logistics is the backward movement of products through the supply chain, from customers to distributors, manufacturers, or suppliers.

SOURCE: OP:479 Describe supply chain networks

SOURCE: Delivery Lane Express (n.d.). *What is a supply chain network, why they are so important?* Retrieved October 31, 2024, from https://www.dlxpress.com/supply-chain-network-importance

33. B

Use a website-building service like WordPress or Wix that requires little or no coding. Website-building services make website creation relatively easy with no coding knowledge required, and most have multiple pricing plans depending on the use case and budget. Though creating a website from scratch is cheap, Jenn does not want to spend much time learning languages or maintaining such a site. Freelancing is a common method for website building, but the quality depends on the freelancer, and a high-quality website will almost certainly go over budget. Similarly, hiring a full-time developer is expensive and likely unnecessary for a small company maintaining a basic website.

SOURCE: NF:042 Create and post basic web page

SOURCE: Campos de Laire, L. (2023, July 3). *7 simple ways to build your website without knowing how to code.* Retrieved November 6, 2024, from https://www.linkedin.com/pulse/7-simple-ways-build-your-website-without-knowing-how-campos-de-laire/

34. B

Findings. The findings section of a research report focuses on detailing the results of research. The introduction of a research report highlights the objectives of the research, the problem the research sets to solve, and the specifics of the research problem. An abstract is a brief overview that highlights all the important aspects of the research in a concise manner. The conclusion comes at the end of the report. It is a summary of all of the information in the report and outlines the significance of the entire study.

SOURCE: CO:186 Write research reports

SOURCE: Longe, B. (2023, July 27). *Research report: Definition, types + [writing guide].* Retrieved October 24, 2024, from https://www.formpl.us/blog/research-report

35. A

Onboarding. Onboarding occurs after the selection process and involves the new employee attending employee orientation, completing paperwork, and touring the facility. Anurag is in the onboarding stage of the hiring process as these are the tasks he is completing. The interviewing and screening stages are part of the selection process. The recruiting stage occurs before the selection process and involves creating a pool of candidates to choose from.

SOURCE: SM:065 Describe managerial considerations in staffing

SOURCE: LAP-SM-065—Dream Team Maker (Staffing)

36. C

The party that answers a complaint and defends themselves. Litigation is the formal process during which legal disputes are involved. The defendant in the litigation process refers to the person or party that the plaintiff has a legal issue with. Defendants must answer the complaint and defend themselves. The plaintiff is the person or party that initiates a case and makes a formal legal complaint. A judge is a public official appointed to preside over court proceedings. A jury is the body of people sworn to give a verdict in a legal case based on evidence presented in court.

SOURCE: BL:160 Describe the litigation process

SOURCE: Bieber, C. (2023, April 24). *What is litigation? Understanding the litigation process.* Retrieved October 23, 2024, from https://www.forbes.com/advisor/legal/litigation

37. D

Raw materials. Raw materials are items in their natural state or condition to be used in the production of a good. Oil, steel, and lumber are all goods in their natural state and have not been constructed by various other goods. Finished goods are manufactured products in their final state, ready for sale. A supply chain is a network of organizations, activities, and technologies involved in creating a product and delivering it to the consumer. Capital goods are manufactured or constructed items that are used to produce goods and services. Oil, steel, and lumber are not manufactured goods.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Banton, C. (2023, September 30). *Raw materials: Definition, accounting, and direct vs. indirect.* Retrieved November 4, 2024, from https://www.investopedia.com/terms/r/rawmaterials.asp

38. C

Anonymization. Data anonymization is the process of modifying sensitive data to adhere to privacy laws and protect customers and businesses. Strictly modifying data does not necessarily protect customers. Data destruction might keep information private but will not help businesses utilize that data. Data analysis helps businesses interpret information but will not help them protect consumer data.

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

SOURCE: K2View. (2024, February 21). *What is data anonymization?* Retrieved November 4, 2024, from https://www.k2view.com/what-is-data-anonymization/

39. A

Employee relations manager. Human resources (HR) management is a career area in which employees focus on staffing activities, including planning, recruitment, selection, orientation, training, performance appraisal, compensation, and safety of employees. Some common positions in HR include employee relations manager, benefits administrator, recruiter, and HR manager. Sustainability specialist is a job title that commonly falls under supply chain management. Quality manager is a job title that falls under operations management. Business analyst is a job title that falls under business analytics.

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

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

40. A

Promote transparency and accountability. Transparency involves maintaining open and truthful communications. Accountability is accepting responsibility for your decisions. Promoting transparency and accountability helps establish an ethical workspace where employees feel comfortable speaking truthfully and employees—no matter the level—are held responsible for their actions. The way resources are used does not impact how misconduct is reported. Rewarding employees who report misconduct does not address the true reason why employees do not report misconduct (fear of punishment and job security). All instances of misconduct should be addressed regardless of employee level.

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

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

41. B

Work. Yahyah is using a work breakdown structure, which involves taking a large project or objective and breaking it down into smaller, more manageable steps that you can reasonably evaluate and assign to teams. Cost breakdown structure organizes project costs by breaking down expenses into categories (labor, materials, overhead), which helps track and control costs more effectively. Product breakdown focuses on decomposing the product into its components or deliverables. Risk breakdown is used to identify, categorize, and prioritize project risks.

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

SOURCE: Lucidchart. (2024). *How to create a work breakdown structure and why you should.* Retrieved November 1, 2024, from https://www.lucidchart.com/blog/how-to-create-a-work-breakdown-structure-and-why-you-should

42. D

Knowledge map. A knowledge map is a tool for knowing what knowledge resides where and for illustrating patterns of knowledge. Essentially, a knowledge map is a visual representation of where a company's knowledge or information resides. In this scenario, the use of a knowledge map would eliminate the time spent by employees searching for files. A candlestick chart is a graph that shows a security's open and close prices for the day and its highest and lowest prices for the day in comparison to the days around it. An organizational chart is a graphic representation of the flow of authority within an organization. A site map is a flowchart that puts online information in a logical format so that internet users can find what they are looking for.

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

SOURCE: MindManager. (2023, September 7). *Knowledge mapping: Exploring the basics and benefits.* Retrieved October 30, 2024, from https://blog.mindmanager.com/201912what-is-knowledge-mapping-we-walk-you-through-the-basics-and-benefits

43. D

The scalar principle. In managerial organizing, the chain of command should have a clearly defined line of authority that connects all employees in the organization. This is called the scalar principle. The relationships between employees and authority should be clear. Entry-level employees should be able to understand how authority flows from the CEO all the way to them. When Cordelia works to make sure relationships between employees and authority are clear, she respects and implements the scalar principle. Altruism is the principle of concern for others' welfare. Business ethics are the basic principles that govern a business's actions. A code of conduct is a set of rules and standards that govern the expected practices, decisions, procedures, and systems within an organization.

SOURCE: SM:064 Explain managerial considerations in organizing

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

44. A

Consumer demands. Consumer wants and needs are as dynamic as consumers themselves. Today's consumers want the greatest value for their money, new product features, instant gratification, and value-driven companies. Innovation is something new, such as a new product, strategy, or process. Consumer spending tends to fluctuate up and down along with changes in the economy. Globalization is the rapid and unimpeded flow of capital, labor, and ideas across national borders.

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

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

45. C

$400,000. Free cash flow (FCF) refers to the money left over after a company pays for operating expenses and capital expenditures. The formula for calculating FCF is Cash Flow from Operations – Capital Expenditures = FCF. When plugging in the values from this scenario, we get $1,450,000 – $1,050,000 = $400,000.

SOURCE: FI:541 Interpret cash-flow statements

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

46. D

Submitting change requests before adjusting data. Before making a change to a dataset, it is important to submit a change request to the necessary administrator for approval. Other common data change best practices include keeping a record of changes made (rather than erasing old data), changing data in all locations for consistency, and conducting regular audits of datasets.

SOURCE: NF:264 Adhere to data change best practices

SOURCE: Miya, A. (2020, December 14). *Four data management best practices.* Retrieved October 29, 2024, from https://www.gofurther.com/blog/4-data-management-best-practices

47. C

Increase customer satisfaction. Continuous improvement is an ongoing process that looks for ways to increase the levels of excellence in relation to a process, good, or service. The improvement of processes is often related to quality management, which is the ongoing process of planning, implementing, and integrating quality into every aspect of an organization. The ultimate goal of quality management is to increase customer satisfaction. Encouraging creativity, eliminating employee turnover, and increasing costs for partners are typically not the goals of continuous improvement.

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

SOURCE: American Society for Quality. (2024). *Continuous improvement.* Retrieved November 1, 2024, from https://asq.org/quality-resources/continuous-improvement

48. A

Is conducted with a single mediator. Mediation is a non-binding process that is often conducted with a single mediator who facilitates discussion and an eventual resolution to a conflict. Arbitration is a binding process that typically requires multiple people to serve as judges to settle a dispute. Both mediation and arbitration can be used to solve a conflict.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: Findlaw. (2019, November 12). *Mediation vs. arbitration vs. litigation: What's the difference?* Retrieved October 23, 2024, from https://www.findlaw.com/adr/mediation/mediation-vs-arbitration-vs-litigation-whats-the-difference.html

49. B

A business has its purchasing policies laid out in writing. Every organization should have its purchasing policies formalized and laid out in writing. This makes the policy easy to reference and can help eliminate any discrepancies or confusion. A company's purchasing policies gaining buy-in from senior management demonstrates how purchasing policies are embraced by leadership. A corporation including dollar amounts and clear examples in its purchasing policies demonstrates how purchasing policies are specific. A small business regularly reviewing and editing its purchasing policies demonstrates how purchasing policies are regularly reviewed and updated.

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

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

50. D

Demographics. The data the business received from the survey are an example of demographics—the physical and social characteristics of the population. Age, gender, income, and employment status, among several other factors, are all trends that businesses pay close attention to during an environmental scan. The society and culture information category focuses on remaining sensitive to customer needs and wants based on the changes in society and culture, such as changing family roles or concern for fitness and health. The economy category focuses on making business decisions to satisfy customers and remain profitable. Economic factors that businesses should pay attention to during an environmental scan include interest rates, inflation, and the stage of the business cycle. The government category deals with political factors that affect business decision-making such as changing laws and regulations, monetary and fiscal policies, and import/export restrictions and regulations, among others.

SOURCE: NF:015 Conduct an environmental scan to obtain business information

SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

51. A

Insurance. The finance field includes those career opportunities that relate to making strategic decisions to report, obtain, save, protect, and grow the financial assets of businesses and individuals. There's a wide variety of jobs you can pursue in finance, including insurance, accounting, banking services, corporate finance, and securities and investments. Human resources management and operations management are career areas in business management. Professional selling is a career area in marketing.

SOURCE: PD:025 Explain employment opportunities in business

SOURCE: LAP-PD-025—Go for It! (Careers in Business)

52. C

Deliver. Supply chain management (SCM) is the process of overseeing the flow of products, information, and finances, from raw materials to finished products. The deliver function of SCM involves processing and shipping customers' orders. This involves everything from registering purchases from customers, directing orders to the appropriate warehouse or fulfillment center, and picking, sorting, and packing products. This does not demonstrate the make, return, or plan functions of SCM.

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

SOURCE: Stackpole, B. (2020, February 14). *5 supply chain technologies that deliver competitive advantage.* Retrieved October 31, 2024, from https://mitsloan.mit.edu/ideas-made-to-matter/5-supply-chain-technologies-deliver-competitive-advantage

53. A

Addressing potential concerns and future problems. Managing stakeholders includes addressing their concerns, and it is better to address them sooner rather than later to avoid any risks. Stakeholder analysis is a part of the Identify Stakeholders process. Identifying how the project will affect stakeholders is a part of the Plan Stakeholder Management process, as is determining stakeholder communication requirements.

SOURCE: PJ:009 Execute and control projects

SOURCE: Lockhart, L. (2024, February 14). *How to create a stakeholder management plan: 11 steps and strategies for project success.* Retrieved December 19, 2024, from https://www.float.com/resources/stakeholder-management

54. A

Has a definite beginning and end. Taking on a project is not the same as running a business's day-to-day operations. A project has a definite beginning and a definite end, whereas business operations are ongoing. Though a project may produce long-term results, it is, by definition, a short-term endeavor. On the other hand, business operations are permanent. Projects often rely on lower level managers. Business operations depend on more traditional management structures.

SOURCE: OP:158 Explain the nature of project management

SOURCE: LAP-OP-158—Projected to Win (Nature of Project Management)

55. B

Identify the issue or question. To get started on the analytical report for his company, Benjamin should first identify the issue or question for the report. The question or issue is the main topic of a report and helps with preparing an outline. Once Benjamin identifies an issue or question, he will then gather relevant information and choose a format. Making recommendations is one of the final steps Benjamin will take while creating the report.

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

SOURCE: Indeed. (2024, August 15). *How to create an analytical report (And why it's important)*. Retrieved October 23, 2024, from https://www.indeed.com/career-advice/career-development/what-is-analytical-report

56. D

Inventory. In this scenario, the manufacturer is using inventory records. An inventory record is a document containing information related to the goods that a business has on hand or on order. Legal records are documents containing information relating to or concerned with the law. Financial records contain information related to the amount of money going into and out of a business. These records usually include all payments received, called accounts receivable, and all payments made, which are known as accounts payable. Promotional records are documents containing information about communications that businesses use to inform, persuade, or remind customers of their products, images, or ideas.

SOURCE: NF:001 Describe the nature of business records

SOURCE: LAP-NF-001—Record It (Business Records)

57. C

Menu costs. When inflation rates shift too often, it creates "menu costs" for businesses that can affect the entire economy. Menu costs are the costs associated with changing prices. For example, it may be necessary to reprint menus, change price tags, update websites, notify clients of price changes, etc. All these activities take time and cost money. The expenses, most often, are passed on to consumers. Inflation rates do not create imports, exchange rates, or (necessarily) hiring expenses.

SOURCE: EC:083 Describe the economic impact of inflation on business

SOURCE: LAP-EC-083—Up, Up, and Away (Inflation)

58. C

A country places an embargo on certain products. Geopolitics focuses on the effects of geography on politics and international relations. A country placing an embargo on certain products directly reflects how geopolitical tensions can disrupt supply chains, as it bans trade with a particular country or countries. A country facing major labor shortages, a hurricane preventing a city from shipping goods, and a company inaccurately forecasting products each will cause supply chain disruptions, but are not specifically related to geopolitical tensions.

SOURCE: OP:480 Discuss global supply chain issues

SOURCE: Tovee, E. (2024, May 23). *Top 10 global supply chain risks in 2024.* Retrieved October 31, 2024, from https://www.xeneta.com/blog/top-10-global-supply-chain-risks-in-2024

59. C

Trade secret. A trade secret is undisclosed information within a particular business or industry. For information to qualify as a trade secret, it must provide economic value to a business, be known by only a limited number of people, and be subject to reasonable steps taken to ensure it remains secret. In this scenario, the company's recipe is a trade secret because it is kept private, only a few employees know it, and they take reasonable steps to ensure its confidentiality. Knowledge management is the process of creating, identifying, collecting, organizing, sharing, and using knowledge and knowledge sources for the benefit of the organization or business. Tacit knowledge is knowledge an individual possesses that is difficult to transfer to others either verbally or in writing, and is gained through some sort of experience. Data encryption is the process of transforming information into a secret code so that only the recipient can read it.

SOURCE: KM:004 Explain legal considerations for knowledge management

SOURCE: WIPO. (2024). *Trade secrets.* Retrieved October 30, 2024, from https://www.wipo.int/en/web/trade-secrets

60. A

To stay competitive with new firms. Many companies implement process change to improve performance and increase profitability—resulting in a competitive advantage over other companies. Attracting new employees and furthering viral marketing efforts are generally not reasons for implementing business process change.

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

SOURCE: Gleeson, P. (2019, February 12). *Factors that may cause change in an organization.* Retrieved November 5, 2024, from https://smallbusiness.chron.com/factors-may-cause-change-organization-203.html

61. D

It provides a clear picture of the requirements set before you. Committing to the project scheduling process at the beginning of your project will provide a clear picture of the requirements set before you. Project scheduling limiting the ability to adapt to unexpected changes, reducing creativity, and including hard deadlines are all drawbacks, not benefits.

SOURCE: PJ:010 Manage project schedule

SOURCE: KissFlow. (2024, August 13). *How on earth will I get this done? The basics of project scheduling.* Retrieved November 1, 2024, from https://kissflow.com/project/basics-of-project-scheduling/

62. B

Feedforward. Feedforward controls are those that attempt to monitor and control performance before it occurs. Eliza is exemplifying feedforward control by establishing a set of rules for her employees to abide by to prevent issues with time-tracking. Concurrent controls are those that monitor and control performance as it is occurring. Feedback controls are those that monitor and control performance after it has already occurred. Free rein controls are not a type of managerial control.

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)

63. B

Contentment. If things are going pretty well for you, you might wonder why anything has to change. As the saying goes, "If it ain't broke, don't fix it." But being adaptable requires people to stretch, try new things, and get out of their comfort zones. Dennen is content with his current major, even though he doesn't love it, because it is comfortable and familiar. He is not staying in his major due to fear, lack of control, or anticipation.

SOURCE: EI:006 Demonstrate adaptability

SOURCE: LAP-EI-006—Go With the Flow (Demonstrating Adaptability)

64. B

Delegate tasks based on her team members' strengths. Team leaders must know how to delegate tasks to their team so that the necessary work is completed most effectively. This requires team leaders to understand each of their team members' skill sets and assign tasks based on their strengths. Not only will this divide the workload into manageable amounts, but it will result in a more polished final product as each team member's skill set is properly utilized. Dividing tasks amongst only the most experienced team members excludes less-experienced team members whose skill sets could still be utilized to benefit the project. Taking on all the remaining tasks by herself would be overwhelming and raise the potential for error in the final product. Requesting an extension on the deadline should be the final resort.

SOURCE: SM:066 Discuss managerial considerations in directing
SOURCE: LAP-SM-066—Take Action (Managerial Directing)

65. D

Creating a knowledge team. In this scenario, the company is creating a knowledge team, which is a team of people from a wide cross section of organizational departments that uses its skills and expertise to assist the knowledge leader in implementing an organization-wide system of knowledge management. This scenario does not demonstrate the knowledge management activities of selecting a knowledge leader, developing knowledge bases, or choosing appropriate technology.

SOURCE: KM:001 Explain the nature of knowledge management
SOURCE: LAP-KM-001—Know Go (The Nature of Knowledge Management)

66. B

Offer a settlement. A settlement is an official agreement to resolve a legal dispute without going to court. In a typical lawsuit, the defendant offers money to the plaintiff in exchange for releasing the defendant's liability. A settlement is an appealing option for a company that wants to avoid negative press. Hiring an expensive lawyer, filing a separate lawsuit, and ignoring the lawsuit won't help the business in this scenario.

SOURCE: BL:159 Describe factors affecting the settlement of legal matters
SOURCE: Cornell Law School. (2024). *Settlement.* Retrieved October 22, 2024, from
https://www.law.cornell.edu/wex/settlement

67. C

Why do we need to change our current processes? Business process design (BPD) is the process of identifying, analyzing, and improving an organization's workflows. Essentially, it involves creating a new structure for a business's internal operations. The first step of BPD is to identify the problem. A common question a business may ask itself during this step is "Why do we need to change our current processes?" The second step is to define what you want in the new process. A common question a business may ask itself during this step is "What will our new processes look like?" The third step is to create an outline of how to implement the process, which involves asking "How will we implement our new processes?" The question "How will we execute our plan of action" relates to the fourth step of executing your ideas and creating a plan of action.

SOURCE: OP:475 Describe the factors that influence business process design
SOURCE: Cflow. (2024, March 14). *Business process design: A practical approach to improve business performance.* Retrieved October 31, 2024, from https://www.cflowapps.com/business-process-design

68. D

Increased sales. When customers trust a business to communicate honestly, they are more likely to support that business. By clearly explaining its pricing policies so customers know there are no hidden fees, Wag World is likely to experience increased sales. While Wag World could experience better conflict resolution, better ideas, and increased productivity, they are not direct outcomes in this scenario.

SOURCE: EI:129 Foster open, honest communication

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

69. B

Standard. A purchase order is a form that a business fills out to order goods. Four of the most common types of purchase orders are standard, planned, blanket, and contract purchase orders. A standard purchase order is typically used for an infrequent or one-off purchase, and specifies the price, quantity, and time frames for payment and delivery. Because the restaurant needs to make a one-off purchase specifically for five tables and 20 chairs to be delivered in a week, a standard purchase order would work best in this scenario. A planned purchase order is used for items needed in the future where quantities and estimated prices are set, but delivery dates are specified later. Planned purchase orders are useful when there's a commitment to purchase but the timing is uncertain. A blanket purchase order is a long-term agreement to buy a specific quantity of items at agreed upon prices over a period of time. Blanket purchase orders are often used for recurring purchases where pricing and contract terms are predetermined but specific quantities or timing aren't. A contract purchase order is a formal agreement that outlines terms, conditions, and expectations for a long-term relationship but does not specify individual orders, quantities, or delivery dates.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Melanie. (2019, December 16). *Types of purchase order – The 4 kinds you need to know.* Retrieved October 30, 2024, from https://www.unleashedsoftware.com/blog/managing-procurement-purchase-orders

70. A

The person driving the vision. A project sponsor is a member of a project team who drives the vision of the project. They oversee operations from a high level. Key responsibilities of project sponsors include creating the project vision, earning buy-in from executive leadership, making critical decisions, and approving the project budget. The person managing the day-to-day operations is the project manager. The person in charge of resource allocation is the resource manager. The person assigned different project tasks is a project team member.

SOURCE: PJ:007 Manage project team

SOURCE: Johansson, J. (2023, March 21). *Project team roles and responsibilities (with examples).* Retrieved November 4, 2024, from https://resourceguruapp.com/blog/project-management/project-team-roles-and-responsibilities

71. B

To inform. When speakers share knowledge or skills, their purpose is to inform. Effective informative presentations use organization and repetition to help the audience remember the material. Good informative presentations also incorporate language and examples that the audience can understand. Persuasion is used to convince the audience to accept a new idea or do things your way. Entertaining presentations are used to amuse or inspire and typically occur at special events like weddings or award ceremonies. In this situation, the purpose of Millie's presentation is to inform the patient, not to persuade, convince, or entertain them.

SOURCE: CO:025 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

72. D

Tacit knowledge. Tacit knowledge is knowledge an individual possesses that is difficult to transfer to others either verbally or in writing. It is gained through some sort of experience. Because Vicki gains her knowledge from the experience of working in a residency, this scenario is an example of tacit knowledge. Explicit knowledge is knowledge that can be easily communicated to others or readily captured and stored in some type of document or database. Information overload refers to the problems created by the presence or availability of too much information, which can cause a person to feel overwhelmed or have difficulty making decisions. Knowledge base is a place for an organization to store and organize its knowledge (usually a database or software program).

SOURCE: KM:001 Explain the nature of knowledge management

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

73. C

The customer or stakeholder. The Validate Scope process occurs when completed project deliverables are formally accepted. They are accepted by the customer or stakeholder, who must ensure that deliverables are satisfactory. The project manager, high-level company executives, and the entire project team do not validate project scope, because the deliverables need to be objectively approved by those who are the direct beneficiaries of the project.

SOURCE: PJ:008 Close project

SOURCE: Brown, L. (2024, January 11). *How to validate scope in a project—Validate scope process.* Retrieved December 19, 2024, from https://www.invensislearning.com/blog/validate-scope/

74. A

Cheerleader, who encourages the team by being cheerful and upbeat. An important part of being a good team member is encouraging each other throughout the process. Since you're all in this together, simply sharing the workload isn't enough. Just as the cheerleaders' goal is to encourage their team, it is your job to encourage your teammates. An effective team member remains cheerful and upbeat, particularly if something is not going as planned. Teams should make decisions and work collaboratively, not independently. Team members should not expect to have all of the answers—the other members are there to encourage brainstorming and innovation. While note-taking can be helpful, all members should participate by vocalizing their thoughts.

SOURCE: EI:045 Participate as a team member

SOURCE: LAP-EI-045—Team Up (Participating as a Team Member)

75. C

Health and safety. A health and safety risk comes with any decision that poses a risk to one's physical well-being. Deciding not to wear a seatbelt, even for a short period of time, can result in serious injuries and consequences. While there could be reputational or relationship risks to not wearing a seatbelt, the example gives no indication of that being the case. A repayment risk is the possibility of loss to the repayment terms of a bond investment.

SOURCE: EI:091 Assess risks of personal decisions

SOURCE: LAP-EI-091—Worth the Risk (Assessing Risks of Personal Decisions)

76. D

Define the project scope and objectives. Elena should first determine the overarching objective she is trying to achieve with her project. This will be her guiding reference throughout her project. Elena will not be able to break the project down into key phases and deliverables or organize the deliverables into work packages without determining her project objective. Creating a rough draft of the project for review is not a part of the work breakdown structure.

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

SOURCE: Lucidchart. (2024). *How to create a work breakdown structure and why you should.* Retrieved November 1, 2024, from https://www.lucidchart.com/blog/how-to-create-a-work-breakdown-structure-and-why-you-should

77. D

Maintenance, repair, and operations (MRO) goods. MRO goods inventory includes materials used to maintain the business and support production but is not used in the final product. Since cleaning equipment is used to support the restaurant's other processes, it is an MRO good. A buffer inventory or safety stock is extra inventory kept in the case of unexpected events like sudden loss of inventory. Work-in-process or work-in-progress (WIP) inventory refers to items in the process of becoming product, such as food cooking on a grill. Raw materials are the base items or ingredients used in the creation of the finished product.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Jenkins, A. (2025, January 5). *What is inventory? Definition, types, & examples.* Retrieved January 28, 2025, from https://www.netsuite.com/portal/resource/articles/inventory-management/inventory.shtml

78. C

A financial institution uses real-time monitoring software to detect and prevent fraudulent transactions. Real-time monitoring software is a form of technology specifically designed to manage and mitigate risks. Both the retail and software companies are using technology for marketing purposes, while the manufacturing company is using it to improve communication between departments.

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

SOURCE: LinkedIn. (2024). *How can you use technology to manage risk?* Retrieved November 7, 2024, from https://www.linkedin.com/advice/3/how-can-you-use-technology-manage-risk-skills-small-business

79. C

Supply chain management. Supply chain management is an area in which employees supervise the complete process of getting products into the marketplace—a career field in which employees are responsible for the flow of goods from the manufacturer to the end user. Inventory control is the tracking of the amount, kind, and value of inventory that a business has on hand. Digital marketing is any marketing that involves the use of digital channels to create a more meaningful customer experience. Accounting is the process of keeping and interpreting financial records.

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)

80. D

Improves efficiency, accountability, and communication. By enrolling her team into an intranet system that allows them to easily stay up to date on announcements, monitor task lists, and connect with one another, Portia exemplifies how organizing improves efficiency, accountability, and communication. Providing a sense of security for employees involves giving employees a strong sense of what their job includes and what is expected of them. Creating a clear chain of command that clarifies authority means ensuring employees know who they report to and who is responsible for what. Aligning goals with the business's mission requires managers to convey to employees how their work contributes to the business's overall mission.

SOURCE: SM:064 Explain managerial considerations in organizing

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

81. C

Maintaining consistent and open communication. When it comes to establishing and sustaining good vendor-supplier relationships, it is important for there to be consistent and open communication. Regular communication allows all parties involved to better understand each other's operations, culture, and vision. Consistent and open communication involves providing regular and honest feedback, having conversations about challenges and risk, and not overpromising suppliers.

SOURCE: OP:241 Maintain vendor/supplier relationships

SOURCE: Lavelle, E. (2020, November 9). *How to improve your relationships with suppliers.* Retrieved January 29, 2025, from https://www.enable.com/blog/10-ways-to-improve-your-supplier-relationships

82. D

Follow the spirit of the law. Ethical rule-following entails respecting the spirit of the law (the intent of the law) in addition to the letter of the law (the literal, written meaning of the law). Fairness is the ability to make judgments and act without favoritism or self-interest, as well as engaging in fair competition and creating equal relationships. Ethical supply chain professionals always demonstrate respect (regard or esteem) for their customers, but adhering to the intent of rules and regulations does not always involve respect for customers. Transparency is the quality of being just as one seems and being open and truthful when communicating.

SOURCE: OP:677 Discuss ethical considerations in supply chain management

SOURCE: LAP-OP-677—The Supply Chain Standard (Ethics in Supply Chain Management)

83. A

The owner receives 100% of the income from the business. Because sole proprietorships do not distinguish between the owner and their business, any revenue that goes to their business is the same as revenue that goes to them directly. For the same reason, the owner of such a business is fully liable for payments owed by the business, including taxes and legal fees, which pose a risk and a disadvantage to the owner. Sole proprietorships are not ideal business structures for growth, so investors are not usually attracted to them. Since sole proprietorship is owned by one individual, employees who are seeking to gain part-ownership of a business are unlikely to be attracted to them.

SOURCE: BL:003 Explain types of business ownership

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

84. D

Odin doesn't share specific details about his customer's personal family problems. To make sure that knowledge management practices are ethical, organizations need to be careful about the intention behind knowledge sharing. An ethical organization will reward employees for sharing knowledge and will keep investing in employees' success, rather than exploiting their knowledge. While, in general, sharing knowledge is a positive thing, it is important to pay attention to the nature of the knowledge that is shared. Some knowledge might be personal, private, or sensitive. In addition, companies should have clear policies in place regarding intellectual property, including who owns knowledge, who can share knowledge, and how employees are compensated for knowledge they contribute. When sharing research-based knowledge, it is important to make sure that all sources are documented, and that shared knowledge is based on accurate, reliable information. Odin's situation demonstrates ethical knowledge management, while Grady, Louisa, and J.P.'s situations are all unethical.

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

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

85. A

It gives businesses a competitive edge. Process thinking is a business approach that focuses on understanding and optimizing processes. Rather than seeing a business as a set of isolated tasks or departments, process thinking emphasizes how each part connects and contributes to the entire workflow. Process thinking helps businesses look at the bigger picture, find ways to continuously improve, and prioritize efficiency, which can give them a competitive edge in the marketplace—especially if other companies aren't doing the same thing. Other benefits of process thinking include helping businesses go from acceptable work to excellent work; boosting efficiency and profitability while minimizing costs; and helping businesses solve complex challenges. Process thinking does not completely eliminate complex challenges a business may face.

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

SOURCE: Kothari, A. (2024, November 23). *Importance of process thinking in business management.* Retrieved January 28, 2025, from https://tallyfy.com/process-thinking

86. C

Crashing a project. Crashing a project means increasing a project's resources to speed up its timeline. Crashing typically involves increasing project costs because of the added resources. In this example, the company increased its project resources (and cost) by hiring two more software developers and offering incentives for overtime work. Fast-tracking a project means taking activities that were supposed to happen one at a time and performing them simultaneously. Fast-tracking does not necessarily increase costs significantly, as it does not involve adding more resources. This is not an example of delegating responsibilities or prioritizing cost-effectiveness.

SOURCE: PJ:010 Manage project schedule

SOURCE: Simmons, M. (2020, September 16). *Project crashing in project management: Definition & best practices.* Retrieved November 4, 2024, from https://www.projectmanager.com/blog/project-crashing-definition

87. D

Framing. When it comes to ethical issues in finance, it's all in how you look at it. Framing is the tendency to respond to situations based on how those situations are posed or viewed. In this case, Raj's company's profit-driven frame could lead to decisions that prioritize profits even at the expense of ethical considerations, while Sofia's ethical framing would guide her to act differently. Sunk costs are costs that have already been incurred and thus cannot be recovered. Conformity is the tendency to behave in the same way that everyone else does rather than exercising one's own judgment. Groupthink occurs when people in a group make decisions together in a way that discourages individual responsibility or creativity.

SOURCE: FI:355 Discuss the role of ethics in finance

SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

88. B

Don't bite off more than you can chew. Melissa realized she would be spreading herself too thin by taking on another responsibility, so she declined to avoid overwhelming herself. This is the meaning of not biting off more than you can chew. Melissa did not reject the project because it was a distraction, but because she would have been overworked. Similarly, her rejection had nothing to do with her environmental preference such as time of day, location, or noise level. She also did not distinguish between important and urgent tasks, but only whether she could take on more work.

SOURCE: PD:019 Use time-management skills

SOURCE: LAP-PD-019—About Time (Time Management)

89. A

Durability. In goods, customers are looking for reliability, serviceability, and durability. A durable product is one that performs its purpose for a long period of time. The longer the period of time before the product fails, the more durable the product is considered to be. Tangibles, empathy, and responsiveness are characteristics that customers seek in a quality service provider.

SOURCE: QM:001 Explain the nature of quality management

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

90. A

Forecasting. Project management software can help businesses more effectively and efficiently achieve their goals and objectives, as it guides project managers through different phases of the project management cycle. Project management software covers a range of platforms and offers a variety of features to help with scheduling, forecasting, resource management, budgeting, and so much more. In this scenario, the business could use project management software's forecasting feature, which uses data from previous projects to understand the time and resource considerations needed to complete a project. This will help the company to better project future business outcomes. The scheduling, internal messaging, and document sharing features of project management software would not necessarily help the company in this scenario.

SOURCE: NF:130 Utilize project-management software

SOURCE: Sherrer, K. (2024, December 18). *Best project management software for 2024.* Retrieved January 27, 2025, from https://technologyadvice.com/project-management/#choosing-a-project-management-software-platform

91. D

It is neutral and often private. Arbitration is a binding process that typically requires multiple people to serve as judges to settle a dispute. Arbitration is neutral, as it takes place in a neutral location and the presiding arbitrator tribunal does not have a bias toward one of the parties. It is also typically a private procedure. The parties involved can choose to disclose the details of the proceeding if they'd like, but it is common for both parties to sign a confidentiality agreement to keep the proceeding, its outcome, and award private. In arbitration, both parties select a sole arbitrator together. If they choose to have a three-member arbitral tribunal, each party chooses one arbitrator and then those two arbitrators agree on the presiding arbitrator. The decision of an arbitral tribunal is final; therefore, it cannot be changed. Arbitration is consensual, meaning it can only take place if both parties have agreed to it.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: WIPO. (n.d.). *What is arbitration?* Retrieved October 23, 2024, from https://www.wipo.int/amc/en/arbitration/what-is-arb.html

92. D

Project a certain image. Most businesses have branding goals geared toward projecting a certain image to the public. Companies try to control how they and their products are perceived in consumers' minds. Because the restaurant in this scenario is aiming to give the impression that it is upscale with a high-priced menu and black-tie wait service, this is an example of how companies look to project a certain image. This is not an example of how companies look to increase sales, support a cause, or achieve stability.

SOURCE: MK:015 Discuss actions employees can take to achieve the company's desired results

SOURCE: LAP-MK-015—Act Now! (Employee Actions and Company Goals)

93. C

Acceptable. Products are rarely divided into simple categories like "good" or "bad." Instead, product quality exists on a spectrum, and businesses need to determine the quality level they feel comfortable (and ethical) offering to consumers. A product that is considered acceptable quality is one that meets minimum expectations and standard levels so it can't be deemed a failure. The toy in this scenario is considered acceptable quality. Appropriate quality means the product meets what is expected by sponsors and stakeholders. Aspirational quality means the product goes above and beyond expectations. Accountable quality is not a level at which product quality is measured.

SOURCE: QM:012 Discuss ethical considerations in quality management

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

94. C

Why is the business undertaking this project in the first place? A project manager needs to know the overall purpose of the project. Why is the business undertaking it in the first place? What is the main goal the business hopes to achieve? Defining the project's scope is also very important and can save project managers a lot of time, resources, and headaches. Simply put, the scope of the project is what it includes—and what it doesn't include. Keeping the work of a project within its defined scope is a critical task for project managers. "What are the deadlines the project needs to hit?" is a question the project schedule component aims to answer. "In what ways is risk being assessed and minimized?" is a question that the risk-management plan component aims to answer. "How can we ensure that quality remains a priority?" is a question that the quality-management plan component aims to answer.

SOURCE: OP:001 Develop project plan

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

95. D

Achieve a level of quality that is nearly perfect. Six Sigma is a set of techniques and tools used to improve business processes by reducing defects and errors, increasing quality and efficiency, and minimizing variation. Thus, the goal of Six Sigma is to achieve a level of quality that is nearly perfect. Six Sigma does not prioritize profits and production over quality. Rather than creating multiple complex production processes, Six Sigma aims to streamline processes.

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

SOURCE: Kumar, P. (2024, September 18). *What is Six Sigma? Explore its importance and benefits.* Retrieved November 1, 2024, from https://www.simplilearn.com/what-is-six-sigma-a-complete-overview-article

96. B

Lacking accountability. Accountability is accepting responsibility for your actions. Breanna is demonstrating a lack of accountability by refusing to own up to her actions that resulted in the broken packages. Misusing resources involves the irresponsible use of company money, supplies, equipment, and time. Acting disrespectfully means failing to honor the rights, freedoms, views, and property of others. There is no mention of Breanna stealing from the company.

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

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

97. C

Identify risks. The first step to protect a company's sensitive information and database systems is to identify where and how data breaches might occur. Companies should create detailed inventories of data and assets that may be at risk. Recovering data is the final step in protecting sensitive information and does not occur before the information itself is to be protected. Calculating accounts payable is an accounting operation and not related to database security. Similarly, paying insurance premiums is not related to protecting information and databases.

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

SOURCE: National Cybersecurity Alliance. (2022, July 1). *Identify your "crown jewels."* Retrieved December 19, 2024, from https://staysafeonline.org/cybersecurity-for-business/identify-your-crown-jewels/

98. A

To ensure he has adequate time to review his work before it is due. The most logical reason for Grayson to write an earlier due date for his report in his planner is to ensure he has adequate time to review his work. By planning to have his work completed in three weeks as opposed to a month, he guarantees that he will have at least a week to review his work and ensure he is submitting a polished product. There is no benefit to Grayson challenging himself to complete the report as quickly as possible, as this greatly increases the potential for mistakes. Employees should maximize the time available to them to ensure they are submitting their best work. This means that if Grayson were to complete the report early, he should use the rest of the time to review instead of doing nothing. There's no logical reason for Grayson to hide the report's due date.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: Chron. (2024). *Why is planning important?* Retrieved October 28, 2024, from https://smallbusiness.chron.com/planning-important-74858.html

99. A

Control. In this scenario, the cell phone manufacturer is using quality control. Quality control is a process that measures products against predetermined standards after the products have already been created. If a product is defective (imperfect or faulty; doesn't meet standards), it can be weeded out and discarded or possibly repaired. Quality assurance is an organization-wide system that businesses use to ensure that products meet quality standards. It includes quality control, but its scope is much bigger than just that. Quality improvement involves an organization's willingness to change and adapt for the purpose of maintaining quality. Quality excellence is not a common aspect of quality management.

SOURCE: QM:001 Explain the nature of quality management

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

100. C

Transparent data. Transparent, real-time data ensures better communication among the links in the supply chain as the result of efficient information flow. Without accurate data, businesses risk facing production delays, late shipments, or out-of-stock inventory that can result in extra expenses and disappointed customers. While delegation can be a component of effective communication, frequent delegation does not necessarily do so as it can cause issues for a supply chain.

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)