



SAMPLE EXAM

BUSINESS ADMINISTRATION CORE

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

PRINCIPLES OF BUSINESS MANAGEMENT AND ADMINISTRATION **PBM**

PRINCIPLES OF ENTREPRENEURSHIP **PEN**

PRINCIPLES OF FINANCE **PFN**

PRINCIPLES OF HOSPITALITY AND TOURISM **PHT**

PRINCIPLES OF MARKETING **PMK**

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

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1. Two years ago, Tommy borrowed \$12,500 from his bank to purchase a new car. Unfortunately, he lost his job about a year ago, and he hasn't been able to make a payment on the loan for 6 months. As a result, the bank is taking steps to seize his car. This is called a
 - A. foreclosure.
 - B. debt consolidation.
 - C. forbearance.
 - D. repossession.
2. Which of the following is a limit to economic freedom in a private enterprise system:
 - A. Pricing systems
 - B. Profit motive
 - C. Personal choices
 - D. Private property
3. What is important to do when giving verbal directions to make sure the audience understands?
 - A. Explain information
 - B. Ask questions
 - C. Use gestures
 - D. Maintain eye contact
4. Which of the following statements regarding the chain of command is true:
 - A. Chains of command are only useful for retail businesses.
 - B. Most employees dislike working within a chain of command.
 - C. Businesses of all shapes, sizes, and industries have chains of command.
 - D. Chains of command are rarely used by modern companies.
5. What do a company's rules of conduct do for employees?
 - A. Provide guidelines for acceptable and unacceptable behavior on the job
 - B. Communicate specific information about compensation methods
 - C. Define the levels of authority within the organization
 - D. Document the company's strategies for achieving its overall goals
6. Jasmine needs to hold a staff meeting in the conference room at the same time that Jason needs the conference room to meet with a new client. The reason for conflict in this situation is
 - A. unclear boundaries.
 - B. limited resources.
 - C. inconsistent behavior.
 - D. desire for authority.
7. If some of a new employee's job tasks are unfamiliar and seem complicated, they should
 - A. try to figure them out without help.
 - B. seek clarification from the supervisor.
 - C. hide the problem for as long as possible.
 - D. seek support from coworkers.

8. Important functions of a business's information system are to help it _____ its important facts and data.
- A. organize and store
 - B. mediate and retrieve
 - C. duplicate and renew
 - D. analyze and instruct
9. When you monitor projects, you are more likely to
- A. find flaws in your team's work.
 - B. struggle to stay focused on the goal.
 - C. achieve better project results.
 - D. take over all of the project work.
10. Employees can most successfully navigate office politics and prevent unnecessary drama by
- A. keeping concerns about the workplace to themselves.
 - B. avoiding close relationships with coworkers.
 - C. staying to themselves and not talking to others.
 - D. refusing to spread false rumors around the office.
11. Alma is preparing a presentation about her department's budget to make to the company president. She wants to use a visual representation of the budget that shows parts in relation to the whole. Alma should consider using a
- A. line graph.
 - B. pie chart.
 - C. bar graph.
 - D. table.
12. Which of the following is a secondary dimension of diversity:
- A. Race/Ethnicity
 - B. Work experience
 - C. Date of birth
 - D. Age
13. Determine the assets of a business based on the following information: cash of \$4,000, accounts receivable of \$2,300, inventory of \$8,460, equipment worth \$3,500, and long-term debt of \$12,850.
- A. \$18,260
 - B. \$16,320
 - C. \$5,410
 - D. \$4,980
14. People who are treated fairly on the job are more likely to be
- A. time wasters.
 - B. less productive.
 - C. satisfied workers.
 - D. absent more.

15. Greg's boss, Amy, recently gave him instructions for operating the company's new security system. The system is complex and includes many steps—and if the steps aren't followed correctly, the police are called immediately. When Greg was reading Amy's instructions, however, he was distracted by the delicious smells coming from the cafeteria and didn't internalize the directions. As a result, Greg accidentally set off the alarm when he came to work the following morning. Greg failed to
- A. focus his attention while reading directions.
 - B. distinguish between instructions and outcomes.
 - C. differentiate between orders and suggestions.
 - D. follow instructions in the order they were given.
16. A government charges a \$0.184 tax on each gallon of gasoline, regardless of location or price. This is an example of _____ tax.
- A. excise
 - B. sales
 - C. estate
 - D. capital gains
17. A computer's internal processor is part of its
- A. software.
 - B. virtual training.
 - C. hardware.
 - D. expert systems.
18. Giving more buying responsibility to local stores that are part of large retail chains is a form of
- A. centralization.
 - B. decentralization.
 - C. shared buying.
 - D. price-agreement planning.
19. Which of the following is an example of an effective subject line for a professional email:
- A. New product information
 - B. Can we talk for a minute?
 - C. One more thing...
 - D. Mtg. rescheduled for 3 p.m.
20. What types of behaviors and traits should employees exhibit to reinforce a company's image and to build repeat business?
- A. Helpful, aggressive, and friendly
 - B. Consistent, knowledgeable, and helpful
 - C. Friendly, consistent, and passive
 - D. Knowledgeable, consistent, and aggressive
21. Which of the following is an important component of computer systems:
- A. Internet
 - B. E-commerce
 - C. Software
 - D. Website

22. Each month, Maggie checks her bank statement against her own record of her deposits and withdrawals. Maggie is _____ her bank statement.
- A. disputing
 - B. challenging
 - C. reconciling
 - D. creating
23. Your friend tells you that reading books is more fun than watching TV. This is a(n)
- A. opinion.
 - B. criticism.
 - C. fact.
 - D. statistic.
24. The formula that is generally used to measure productivity is
- A. goods divided by time.
 - B. inputs divided by labor.
 - C. labor divided by resources.
 - D. outputs divided by inputs.
25. Julie has been warned by her supervisor that she may be fired if she continues coming to work late. After this warning, Julie began to arrive at work 5 minutes early. Julie is demonstrating a change in her _____ traits.
- A. mental
 - B. emotional
 - C. physical
 - D. personal
26. Why do creative people tend to be more tolerant of ambiguity?
- A. Ambiguity limits the ability to be expressive.
 - B. Uncertainty is an opportunity to be imaginative.
 - C. Creative people have more ambiguity in their lives.
 - D. Creative people tend to be less judgmental.
27. Which of the following is an example of a change in the relative price ratio when the original price of red apples is 60¢ per pound and the original price of green apples is 80¢ per pound:
- A. Red apples @ 45¢ per pound; green apples @ 60¢ per pound
 - B. Red apples @ 90¢ per pound; green apples @ 80¢ per pound
 - C. Red apples @ \$1.20 per pound; green apples @ \$1.60 per pound
 - D. Red apples @ 30¢ per pound; green apples @ 40¢ per pound
28. Laws that prohibit violence against others are an example of which function of the law?
- A. Enacting social change
 - B. Maintaining order
 - C. Ensuring equality
 - D. Resolving disputes

29. Which of the following is a component that is necessary for the production of goods and services:
- A. Purchasing plans
 - B. Research facilities
 - C. Natural resources
 - D. Tangible items
30. A business looks at financial information and learns that the company could save money by switching to a different internet provider. This is an example of using financial information to
- A. plan business expansion.
 - B. reduce expenses.
 - C. create a budget.
 - D. increase sales.
31. Joel recently interviewed for an internship at a large accounting firm. After his interview, he made sure to send the interviewer a follow-up email saying the following: "Ms. Brown, Thank you again for speaking with me this afternoon. Please let me know if you have any additional questions. If offered this internship, I would be thrilled to except!" What communication mistake did Joel make?
- A. He used an incorrect word.
 - B. He used inappropriate language.
 - C. He used filler words.
 - D. He used an inappropriate communication method.
32. When shopping for an investment broker, which of the following things should you always do:
- A. Disclose how much money you have to invest.
 - B. Choose the same broker as your parents.
 - C. Run a background check.
 - D. Read the broker's advertisements.
33. What type of retirement plan gives employees little control but guarantees a specific amount for employees?
- A. 401(k)
 - B. Defined contribution
 - C. Defined benefit
 - D. Social Security
34. Which of the following would be the most appropriate item to purchase with a credit card:
- A. Magazine
 - B. Small pizza
 - C. Pack of gum
 - D. Airline ticket
35. Being respectful when considering conflicting viewpoints means
- A. not jumping to conclusions.
 - B. listening to your gut instead of facts.
 - C. avoiding people who are different from you.
 - D. thinking about things subjectively.

36. To influence others to work toward a shared vision, a leader should possess a high level of credibility and should be able to provide supporting
- A. practices.
 - B. facts.
 - C. assumptions.
 - D. skills.
37. Which of the following is an example of analyzing data to evaluate project success:
- A. Planning to complete a future project
 - B. Deciding to evaluate your team's level of satisfaction
 - C. Comparing projected sales to actual sales
 - D. Telling stakeholders that you achieved project goals
38. Sophia needs to distribute a sales report to her employees. There are lots of numbers and figures, but the report is pretty self-explanatory. Sophia should communicate this information to her staff via a
- A. voicemail.
 - B. face-to-face meeting.
 - C. conference call.
 - D. memo.
39. Which of the following is an example of intellectual property:
- A. A business owner buys new computers for the office.
 - B. A manufacturing company hires a new human resources director.
 - C. A restaurant kitchen is stocked with food.
 - D. An inventor obtains a patent for a new product.
40. Melissa recently spoke to her friend James about a personal problem James was experiencing. Later on, when hanging out with another group of friends, Melissa accidentally revealed some of the private information that James shared with her. When James learned that Melissa had told other people about his problem, he was furious—and Melissa felt terrible. This is an example of the importance of
- A. fairness.
 - B. confidentiality.
 - C. privacy.
 - D. secrecy.
41. A benefit of using an integrated software application package is that it allows businesses to
- A. search the internet for information.
 - B. develop research reports.
 - C. prepare routine budgets.
 - D. manage all aspects of the operation.
42. Writing key points on notecards and then placing the cards in order of their importance is one way to
- A. revise facts.
 - B. organize information.
 - C. verify accuracy.
 - D. access files.

43. Which of the following is an example of an employee maintaining a safe work environment:
- A. Steve takes the elevator instead of the stairs during the practice fire drill.
 - B. William follows his employer's rules when he is operating heavy equipment.
 - C. Kaylee trips over the computer wires that are lying on the floor of her office.
 - D. Anna fails to tell her supervisor that the caution light is blinking on the equipment.
44. Building positive customer relations is one of the least expensive ways for a business to
- A. compete with other businesses.
 - B. manufacture goods.
 - C. offer employee bonuses.
 - D. attract investors.
45. When showing why change is necessary, change leaders should
- A. speak only to coworkers.
 - B. avoid giving too many details.
 - C. provide evidence.
 - D. create charts and graphs.
46. When searching for reliable, relevant information on the internet, it's best to
- A. visit websites run by students and nonprofessionals.
 - B. search for older rather than newer content.
 - C. find one source you like and trust that it is reliable.
 - D. stick to unbiased sources that present two sides of every story.
47. When sales revenue exceeds the cost of goods sold and operating expenses, the business receives a(n)
- A. capital.
 - B. income.
 - C. profit.
 - D. loss.
48. What can businesses do during an orientation session to help new employees feel comfortable in the workplace?
- A. Introduce them to other employees
 - B. Emphasize the company's discipline policies
 - C. Provide copies of performance reviews
 - D. Give them a complex project to complete
49. In some countries, maintaining eye contact in a conversation is generally considered a sign of respect and engagement. This is an example of a cultural norm regarding
- A. nonverbal cues.
 - B. personal space.
 - C. verbal cues.
 - D. posture.

50. Allison is attending a business seminar. Because the seminar presenter is speaking very quickly, Allison is having a difficult time taking accurate notes. What technique would help Allison take notes quickly?
- A. Use abbreviations and symbols
 - B. Write notes on index cards
 - C. Ask the speaker to provide handouts
 - D. Focus on the subtopics
51. An employee accidentally quoted the wrong price to an important customer. How should the employee deal with this problem?
- A. Admit the mistake and quote the correct price
 - B. Tell the customer the typist made an error
 - C. Ask a coworker to accept responsibility
 - D. Say the manager provided inaccurate information
52. Why do businesses often make it possible for employees to meet during work time and participate in group discussions?
- A. To discuss personal issues
 - B. To plan extracurricular activities
 - C. To have casual conversations
 - D. To share many different opinions
53. A business wants to send a mailing to all customers who have ordered at least \$2,500 in merchandise in the past year. To obtain the appropriate list of customers, the business should set the query by
- A. credit rating and location.
 - B. product code and zip code.
 - C. sales dollars and dates.
 - D. last name and account number.
54. Which of the following is most likely to be a short-term financial goal:
- A. Opening a business
 - B. Paying off a mortgage
 - C. Saving for retirement
 - D. Paying off credit card debt
55. People commonly resist change because they
- A. have a positive attitude.
 - B. see the big picture.
 - C. show flexibility.
 - D. fear the unknown.
56. Which of the following is a habit-forming substance that many people may not consider harmful:
- A. Cigarettes
 - B. Alcohol
 - C. Coffee
 - D. Prescription painkillers

57. A business's brand promise is what the business intends to
- A. use as a trademark.
 - B. name its product.
 - C. sell to the target market.
 - D. provide the customer.
58. Banks and credit unions profit from which of the following items when issuing credit cards:
- A. Principal
 - B. Interest
 - C. Stocks
 - D. Invoices
59. Gia's department gets several new interns who are recent college graduates. Gia assumes that they will not do a good job because she knows that young people are not hard workers. Gia is engaging in
- A. stereotyping.
 - B. adaptability.
 - C. respectfulness.
 - D. researched beliefs.
60. How are entrepreneurs similar?
- A. They have strong personal traits, such as determination and confidence.
 - B. They are born with excellent leadership and communication skills.
 - C. Most entrepreneurs go on to start other businesses.
 - D. Startup business owners rarely fail at their entrepreneurial ventures.
61. Which of the following is a risk of being uninsured:
- A. Possible tax penalties
 - B. Increased premiums
 - C. Lower deductibles
 - D. Hospitals refusing care
62. Which of the following examples best depicts the relationship between personal values and careers:
- A. Tomas's values give him the skills to confront his coworker.
 - B. A company only hires people that fit with its vision.
 - C. Isaac decided to take a position that aligned with his values.
 - D. Riley only spends time with people who share her values.
63. Henderson, a salesperson at Paris Shoe Store, injured his ankle during the afternoon shift. Since Paris Shoes has insurance that provides benefits to employees who are injured on the job, Henderson was able to stay home and let his ankle heal. What type of insurance does Paris Shoes have?
- A. Workers' compensation
 - B. Fidelity bond
 - C. Business security
 - D. Surety bonds

64. During an interview, a job applicant can indicate to the interviewer an interest in the position by
- A. staring out the window.
 - B. looking at their feet.
 - C. maintaining eye contact.
 - D. slouching in their chair.
65. Throwing out junk mail and unnecessary documents on a regular basis will help you
- A. delegate your workload.
 - B. ensure that you meet your deadlines.
 - C. prioritize routine work activities.
 - D. maintain an organized workspace.
66. Compared to businesses in the manufacturing or medical industry, a retail business typically has greater need for _____ because it resells finished products.
- A. safety and security
 - B. scheduling
 - C. routing
 - D. inventory control
67. Oliver buys a car now, but he doesn't have to pay for it until later because he purchased it with
- A. interest.
 - B. loyalty.
 - C. convenience.
 - D. credit.
68. A cashier at Puritan Supermarket was approached by people who used force, violence, and fear to gain access to the cash inside the cash register. What type of common business security problem did the supermarket experience?
- A. Robbery
 - B. Embezzlement
 - C. Shoplifting
 - D. Burglary
69. Before you can understand others, you must first understand
- A. the use of objectivity.
 - B. yourself.
 - C. Maslow's hierarchy.
 - D. what motivates people.
70. Which of the following is the best method a responsible worker could use to become more productive:
- A. Read current industry materials
 - B. Watch coworkers do their jobs
 - C. Follow unwritten company rules
 - D. Behave with honesty and integrity

71. Brayden's group member suggests an idea for a project that Brayden doesn't agree with. Brayden listens politely to the group member's opinion before explaining his own thoughts. Which trust-building technique is Brayden using?
- A. Taking responsibility for your mistakes
 - B. Not sharing confidential information
 - C. Keeping your promises
 - D. Showing respect for others
72. Your last pay stub had a year-to-date gross pay amount of \$2,438.23. Your next pay stub shows a gross pay of \$542.13, taxes paid of \$106.32, and a net pay of \$379.42. What new year-to-date gross pay amount will be reflected on your new pay stub?
- A. \$2,980.36
 - B. \$3,086.68
 - C. \$3,359.78
 - D. \$2,817.65
73. Which of the following is an action employees can take to maintain a customer service mindset:
- A. Decide how to spend their break time
 - B. Maximize conversations with coworkers
 - C. Listen to the words of soothing songs
 - D. Devote their full attention to customers
74. Your friend Maureen is nervous about an upcoming staff meeting at her company. Since you have a lot of experience attending and participating in meetings, she asks you for advice. You tell her that she should be sure to
- A. keep quiet if she disagrees with someone else's point.
 - B. listen and look interested when someone is speaking.
 - C. think about what she will say while others are speaking.
 - D. take the opportunity to bring up unrelated concerns she has.
75. A common reason one would consult with a tax advisor is to
- A. analyze the costs of risk and uncertainty.
 - B. gain advice about their filing options.
 - C. help raise capital by issuing stock.
 - D. pass down assets to their heirs.
76. Lainey figures out that she needs to hire two temporary people to enter data for her new website. Lainey is
- A. planning communications.
 - B. developing quality standards.
 - C. identifying resources.
 - D. keeping the project organized.

77. With the use of a presentation software program, Martin selects a standardized group of slides and enters the appropriate text and graphics in each slide. What is he using to design his presentation?
- A. Blank slides
 - B. Templates
 - C. Premade slides
 - D. Wizard
78. According to the marketing concept, which option demonstrates customer orientation?
- A. Advertising the features of a product
 - B. Convincing a buyer to buy
 - C. Finding out what a buyer wants
 - D. Researching a firm's competitors
79. Chad's friend wrote down instructions for him to change the oil in his car. Chad makes sure he follows the direction to put something for catching the oil in place first, so it doesn't spill everywhere. Which of the following steps for following directions does this situation illustrate:
- A. Note key words
 - B. Ask
 - C. Go in order
 - D. Accept responsibility
80. Todd needs to develop an overall plan for his business but does not know what type of information to include in the document. Todd logs onto a search engine to quickly locate the information he needs. Which of the following search terms is most likely to provide Todd with desired search results:
- A. Business plan elements
 - B. Develop planning document
 - C. Business document components
 - D. Plan components
81. When a company experiences a change in human resources management, it will also experience a change in
- A. financial analysis.
 - B. market share.
 - C. profits.
 - D. name.
82. Exactly 1 year ago, Kim's dad gave her a \$10 bill. Kim saved the money "for a rainy day." Now, her \$10 bill has less buying power than it did a year ago. What caused the decline in the value of Kim's money?
- A. Globalization
 - B. Taxes
 - C. Inflation
 - D. Unemployment

83. Hannah has been feeling bored and grumpy lately, so she decides to take dance lessons at the local community center. Which step in the process of maintaining a positive attitude does this illustrate?
- A. Have a sense of humor
 - B. Act positively
 - C. Look sharp
 - D. Realize that it won't happen overnight
84. Jonathan works in his small town's only grocery store. He is on a first-name basis with most of the customers who come in. Cheryl is a difficult customer. Sometimes she's really friendly, and other times she snaps at Jonathan. She is a(n) _____ customer.
- A. dishonest
 - B. suspicious
 - C. irritable/moody
 - D. slow/methodical
85. Another employee is upset because of a reprimand from the manager. You listen quietly and then share how you handled a reprimand. You are demonstrating _____ behavior.
- A. critical
 - B. impatient
 - C. indifferent
 - D. empathetic
86. Lauren was filling out an employment application and encountered a question for which she was unsure of the answer. What should she do?
- A. Make up an answer
 - B. Leave a blank space
 - C. Write in "unknown"
 - D. Mark down "personal"
87. Ben believes that he is controlled by the people around him. Ben is displaying
- A. resentment.
 - B. maturity.
 - C. victim mentality.
 - D. proactivity.
88. Which of the following policies are designed to protect employees and customers from harm:
- A. Health and safety policies
 - B. Social media policies
 - C. Disciplinary policies
 - D. Leave policies
89. To be able to explain and defend their ideas objectively to others, individuals usually need to have effective _____ skills.
- A. technical
 - B. verbal
 - C. reading
 - D. computer

90. Selling shares in the company to raise money for a new venture is referred to as _____ funding.
- A. equity
 - B. dividend
 - C. accounts payable
 - D. debt
91. Corbin watched the presidential debate on TV to decide whom he would vote for in the upcoming election. This is an example of using active listening to
- A. understand instructions.
 - B. form an opinion.
 - C. increase satisfaction.
 - D. connect with others.
92. Which type of innovation relies on a significant change in thinking?
- A. Product
 - B. Psychological
 - C. Paradigm
 - D. Process
93. Institutions and individuals have _____ wants and _____ resources.
- A. limited; unlimited
 - B. unlimited; limited
 - C. unlimited; unlimited
 - D. limited; limited
94. In which of the following situations would a business use a spreadsheet software program to estimate the effect of change on its financial situation:
- A. A salesperson kept all appointments.
 - B. Customers purchased more products.
 - C. Mailing labels are needed for a catalog.
 - D. Sales are expected to increase by 5%.
95. Writing down your goals will help you
- A. modify or cancel your goals.
 - B. distract yourself from your goals.
 - C. keep yourself on target.
 - D. choose your goals.
96. After Nick interviews for a job he really wants, he sends a letter to express his continued interest in the job and ask about the status of the position. Which type of business letter is Nick sending?
- A. Order letter
 - B. Letter of resignation
 - C. Follow-up letter
 - D. Acknowledgement letter

97. The first step in maintaining an inventory of supplies for the business is to
- A. develop a list of supplies that the business needs.
 - B. organize a space to store the supplies.
 - C. conduct research to find vendors that sell the supplies.
 - D. compare prices among vendors.
98. A seller's market is characterized by
- A. equilibrium price.
 - B. high demand.
 - C. low prices.
 - D. large supply.
99. To be an effective team member, an employee needs to be willing to
- A. collaborate with others.
 - B. take on all jobs.
 - C. provide insensitive feedback.
 - D. withhold their opinions.
100. In which of the following situations would a businessperson write a persuasive inquiry using an indirect format:
- A. A memo asking for a detailed sales report for the previous 6-month period
 - B. A letter requesting the date and time of a professional development workshop
 - C. An email message requesting membership eligibility requirements in an organization
 - D. A direct-mail letter asking for financial support to help a charitable organization

1. D

Repossession. When a borrower defaults (fails to pay for an extended period of time) on their loan, the lender—in this case, Tommy's bank—may choose to claim the collateral—Tommy's car—that was used to secure the loan. Tommy will no longer be expected to pay on the loan, but he also will no longer have his car. Foreclosure is similar to repossession, but the term is used strictly to refer to the seizure of a mortgaged property, usually a house or other type of real estate. Forbearance is an agreement between a mortgagee and a mortgager to delay foreclosure proceedings. A debt consolidation involves taking out a new loan to pay off multiple other loans and debts.

SOURCE: FI:568 Control debt

SOURCE: Federal Trade Commission. (2023, September). *Vehicle repossession*. Retrieved August 15, 2024, from <https://consumer.ftc.gov/articles/vehicle-repossession>

2. C

Personal choices. Even though there are many economic freedoms in a private enterprise system, there also are certain limits. We are limited by our own choices. If we choose to buy one thing, we may not have enough money to buy another. We may need to choose which item is more important to us. Private property, profit motive, and pricing systems are characteristics of a private enterprise system rather than limits to economic freedom.

SOURCE: EC:009 Explain the concept of private enterprise

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

3. B

Ask questions. When giving verbal directions, it is important to regularly ask questions to make sure the audience understands the directions. Asking if listeners understand a certain word or phrase will provide feedback that indicates understanding. Many times, listeners will not admit that they do not understand, and the only way to find out is to ask questions. Maintaining eye contact, using gestures, and explaining information are techniques for giving verbal directions. However, they will not indicate if the audience understands the directions.

SOURCE: CO:083 Give verbal directions

SOURCE: Fracalde. (2021, April 8). *7 tips on how to give clear and understandable instructions*. Retrieved August 14, 2024, from <https://diplolearn.org/2021/08/04/7-tips-on-how-to-give-clear-and-understandable-instructions>

4. C

Businesses of all shapes, sizes, and industries have chains of command. Whatever type of career you decide to pursue, you'll need to learn how to behave and work within a chain of command. Chains of command are found in nearly every company and are an integral component of a thriving workplace. It is not true that chains of command are only useful for retail businesses or that chains of command are rarely used by modern companies. Most employees do not mind working within a chain of command, because the chain of command usually enhances efficiency and productivity.

SOURCE: PD:252 Follow chain of command

SOURCE: LAP-PD-252—Don't Cheat the Chain (Following Chain of Command)

5. A

Provide guidelines for acceptable and unacceptable behavior on the job. To provide a fair and consistent work environment, businesses develop rules of conduct for their employees. The rules of conduct outline a company's policies, procedures, and expectations regarding employees' behavior (acceptable and unacceptable) in the workplace. The organizational chart illustrates the levels of authority within the organization. The business plan documents the strategies that the company will use to achieve its goals. Businesses typically record employees' compensation methods and rates in their personnel files, which are maintained by the company's human resources department.

SOURCE: PD:251 Follow rules of conduct

SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)

6. B

Limited resources. Because two employees need the conference room at the same time, the conflict involves a limited resource. Conflict due to unclear boundaries involves a lack of clear understanding of what constitutes appropriate behavior. Inconsistent behavior (e.g., moodiness) can also create conflict because people do not know how to act or behave. Conflict involving a desire for authority occurs when individuals want to control or be in charge of a situation. For example, when two coworkers apply for the same management position, it can create a conflict for authority.

SOURCE: EI:015 Use conflict-resolution skills

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

7. B

Seek clarification from the supervisor. Remember that it is your responsibility to understand your job duties. If your duties seem complicated to you and you are unsure how to carry them out, ask your supervisor for help. Although coworkers may be helpful, clarifying your duties is not their responsibility. Hiding your ignorance or trying to figure out the work on your own would probably result in doing the work incorrectly.

SOURCE: EI:021 Demonstrate responsible behavior

SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)

8. A

Organize and store. An information system is a method of gathering, storing, and analyzing data for the purpose of making business decisions. Because a business acquires large amounts of information, it must develop a structure to organize and store data and facts to make them useful to the business. An effective information system enables a business to access, retrieve and analyze the stored data and facts accurately and efficiently, which facilitates the business's decision-making processes. Primary functions of a business's information system are not to mediate, instruct, duplicate, or renew the business's facts and data.

SOURCE: NF:083 Explain the role of information systems

SOURCE: TechTarget. (2023, May). *Information systems (IS)*. Retrieved August 15, 2024, from <https://www.techtarget.com/whatis/definition/IS-information-system-or-information-services>

9. C

Achieve better project results. Your project will be much more likely to excel in quality and meet all its requirements if you're checking in regularly to make sure it's on track. Monitoring projects does not increase the likelihood that you will struggle to stay focused on the goal, take over all of the project work, or find flaws in your team's work.

SOURCE: OP:520 Monitor projects and take corrective actions

SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

10. D

Refusing to spread false rumors around the office. One of the best ways to neutralize the negative effects of office politics is by refusing to spread false rumors. Rumors and gossip can contribute to feelings of distrust and vulnerability among employees, especially when the rumors are unfounded. Employees do not have to stay to themselves or avoid forming relationships at work; however, they should focus on building positive relationships built on trust and honesty. Sharing concerns about the workplace can be productive and improve office life.

SOURCE: EI:109 Explain the nature of office politics

SOURCE: Mind Tools. (2024). *7 ways to use office politics positively*. Retrieved August 14, 2024, from <https://www.mindtools.com/amc87k5/7-ways-to-use-office-politics-positively>

11. B

Pie chart. If Alma wants to illustrate her budget by showing parts in relation to the whole, she should use a pie chart. A table is a visual way of displaying information in rows and columns. A bar graph shows values across categories. Line graphs usually depict information over time. Although Alma might want to use these types of graphics for other parts of her presentation, the pie chart is the best way to show how the parts of her budget add up to form the whole.

SOURCE: CO:087 Select and use appropriate graphic aids

SOURCE: Yi, M. (2024). *How to choose between a bar chart and pie chart*. Retrieved August 14, 2024, from <https://www.atlassian.com/data/charts/how-to-choose-pie-chart-vs-bar-chart>

12. B

Work experience. All the ways in which people differ are known as diversity. Primary dimensions of diversity are those inborn differences that cannot be changed, such as age, race/ethnicity, nationality, sexual orientation, certain physical and mental traits and abilities, and date and place of birth. Secondary dimensions of diversity are those characteristics that may change throughout one's lifetime. Examples include differences in language, religion, income, geographic location, family status, work experience, communication style, and education level.

SOURCE: EI:033 Exhibit cultural sensitivity

SOURCE: LAP-EI-033—Getting to Know You (Cultural Sensitivity)

13. A

\$18,260. The assets of a business include cash, accounts receivable, inventory, and equipment. To determine the assets, add those four figures ($\$4,000 + \$2,300 + \$8,460 + \$3,500 = \$18,260$). Long-term debt is a liability because the business owes that money. Long-term debt (\$12,850) is not included in assets.

SOURCE: FI:085 Explain the concept of accounting

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

14. C

Satisfied workers. Workers who are treated fairly are more likely to be satisfied workers, and satisfied workers are more productive. They are absent less, are happier, don't waste time, and are more motivated.

SOURCE: EI:036 Treat others with dignity and respect

SOURCE: LAP-EI-036—Everyone's Worthy (Treating Others With Dignity and Respect)

15. A

Focus his attention while reading directions. It's important to focus your attention when receiving instructions, whether they are written or spoken. In this example, Greg was distracted and therefore missed important information about his company's security system. It's also important to differentiate between orders and suggestions and instructions and outcomes—and to follow instructions in the order they were given. However, Greg simply didn't pay attention in this example.

SOURCE: CO:056 Apply written directions to achieve tasks

SOURCE: Cengage Learning. (n.d.). *Following instructions*. Retrieved August 14, 2024, from https://college.cengage.com/masterstudent/shared/content/articles/following_instructions.html

16. A

Excise. Excise taxes are specific, targeted taxes that are applied to specific goods and use a flat rate. In contrast, sales tax applies to almost every purchase and is a percentage of the sale price. Sales taxes also vary by state and by the type of item bought. Estate tax is imposed on the transfer of property upon the death of the owner. Capital gains tax is charged on profits made from the sale of assets such as stock or real estate.

SOURCE: FI:067 Explain the nature of tax liabilities

SOURCE: Fay, B. (2023, November 30). *Types of taxes*. Retrieved August 14, 2024, from <https://www.debt.org/tax/type>

17. C

Hardware. A computer's internal processor is part of its hardware, or its physical components. Software refers to programs that tell a computer what to do. Virtual training refers to software programs that help educate people in certain careers, such as pilots or firefighters. Expert systems are software programs that mimic the knowledge of human experts.

SOURCE: NF:003 Identify ways that technology impacts business

SOURCE: LAP-NF-003—TECH-tastic (Technology's Impact on Business)

18. B

Decentralization. Many large retail organizations divide their geographic area into districts and delegate part of the central buying authority and responsibility to district managers. This shifts the buying responsibility to those who are more familiar with local customers' needs and wants. Centralization occurs when all buying decisions are controlled by the central buying authority. Price-agreement planning is a type of centralized retail buying. Shared buying is not a term that businesses often use to describe an organizational structure of the purchasing function.

SOURCE: OP:015 Explain the nature and scope of purchasing

SOURCE: LAP-OP-015—Buy Right (Purchasing)

19. D

Mtg. rescheduled for 3 p.m. An effective subject line for a professional email should summarize the body of the message and make it easy for the recipient to understand the purpose of the email. "Mtg. rescheduled for 3 p.m." for example, clearly communicates the focus of the email (the meeting) and provides enough information for the recipient to understand why the email was sent to them (to inform them that the new time for the meeting is 3 p.m.). "New product information" is not specific enough for the recipient to understand what product is the focus of the message. "One more thing..." and "Can we talk for a minute?" are vague and provide little information to help the recipient understand the reason for the email.

SOURCE: CO:090 Write professional emails

SOURCE: Mailchimp. (2024). *Best practice for email subject lines*. Retrieved August 14, 2024, from <https://mailchimp.com/help/best-practices-for-email-subject-lines>

20. B

Consistent, knowledgeable, and helpful. Employees are one of many touchpoints for the business. Customers often base their impressions of a business—positive and negative—on the interactions they have with the business's employees. Employees who are consistently friendly, helpful, and knowledgeable each time they interact with customers are building favorable relationships. These favorable relationships encourage customer loyalty and repeat sales. Employees who are too aggressive or too passive are more likely to offend customers.

SOURCE: CR:002 Determine ways of reinforcing the company's image through employee performance

SOURCE: McQuerrey, L. (2018, July 1). *Importance of employee behavior in an organization*. Retrieved August 14, 2024, from <https://work.chron.com/importance-employee-behavior-organization-11019.html>

21. C

Software. Software instructs computers to perform specific operations. The various types of software are important components of computer systems because they allow computers to do the work that businesses want them to do. For example, spreadsheet software programs enable computers to analyze financial data, calculate budget information, and create charts and graphs of numeric data. The internet, websites, and e-commerce are not components of computer systems.

SOURCE: NF:084 Discuss principles of computer systems

SOURCE: Johnson, D. (2021, March 26). *What is software? A guide to all of the different types of programs and applications that tell computers what to do*. Retrieved August 15, 2024, from <https://www.businessinsider.com/guides/tech/what-is-software>

22. C

Reconciling. When Maggie checks her bank statement against her own record, she is reconciling the bank statement. Maggie is checking to make sure that no mistakes have been made and that she has recorded all her information correctly. She is not challenging or disputing her bank statement, although she may choose to do so if she suspects her bank has made a mistake. The bank, not Maggie, creates the statement.

SOURCE: FI:070 Balance a bank account

SOURCE: Burnette, M. (2022, May 10). *What is a bank statement?* Retrieved August 15, 2024, from <https://www.nerdwallet.com/article/banking/checking/what-is-a-bank-statement>

23. A

Opinion. An opinion is a person's point of view or belief about a topic. A person's preference is an opinion. A fact is a true statement. This is not an example of criticism or a statistic.

SOURCE: NF:077 Assess information needs

SOURCE: Gunsch, J. (2024, May 23). *What is the difference between fact and opinion?* Retrieved August 15, 2024, from <https://www.languagehumanities.org/what-is-the-difference-between-fact-and-opinion.htm>

24. D

Outputs divided by inputs. The formula for calculating productivity is goods and services produced (outputs) divided by the resources utilized to produce the goods (inputs). Labor is one of several resources available for use. Goods are only one type of output, and time is only one of several resources.

SOURCE: EC:013 Explain the concept of productivity

SOURCE: LAP-EC-913—Make the Most of It (Productivity)

25. D

Personal. A personal trait is a personal characteristic expressed by a consistent pattern of behavior. Julie changed her regular pattern of behavior from unreliable to dependable. Physical traits include age, height, weight, build, or other physical characteristics. Mental traits involve intellectual abilities such as remembering, comprehending, analyzing, evaluating, and creating. Emotional traits involve attitudes, feelings, values, and so forth.

SOURCE: EI:018 Identify desirable personality traits important to business

SOURCE: LAP-EI-918—You've Got Personality (Personality Traits in Business)

26. B

Uncertainty is an opportunity to be imaginative. Creativity is the ability to generate unique ideas, approaches, and solutions. Creative people tend to be more tolerant of ambiguity because uncertainty is an opportunity to be imaginative and expressive. Because there is no single solution or direction, creative people can exercise their ability to come up with new ideas. Creative people do not necessarily have more ambiguity in their lives than others, nor do they necessarily tend to be less judgmental. Finally, ambiguity does not limit the ability to be expressive.

SOURCE: EI:092 Develop tolerance for ambiguity

SOURCE: LAP-EI-092—Embrace the Unknown (Developing a Tolerance for Ambiguity)

27. B

Red apples @ 90¢ per pound; green apples @ 80¢ per pound. This is the only combination that resulted in a change in the relative price ratio. When red apples sold for 30¢ per pound and green apples for 40¢ per pound, the price of each was cut in half, and the ratio remained the same. When red apples sold for \$1.20 per pound and green apples for \$1.60 per pound, the price of each was doubled, and the ratio remained the same. When red apples sold for 45¢ per pound and green apples for 60¢, the price of each was cut by one fourth, and the ratio remained the same.

SOURCE: EC:006 Describe the functions of prices in markets

SOURCE: LAP-EC-906—When More Is Less (Functions of Prices)

28. B

Maintaining order. Maintaining order is an important purpose of the law. Laws help control society and set the standards for being a part of civilization. The punishments for breaking the law aim to prevent people from harming themselves, others, or society as a whole. Laws against violence are a part of maintaining order. Laws can also enact social change and resolve disputes, but the prohibition of violence is not an example of these functions. While laws may aim to ensure equality, this is not necessarily a function of law, and it is not relevant to this situation.

SOURCE: BL:163 Comply with the spirit and intent of laws and regulations

SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

29. C

Natural resources. To produce goods and services, businesses need a variety of resources. One type of resource is natural resources, which includes the materials from which to make products. Without the necessary raw materials and natural resources, businesses would be unable to produce goods and services. Tangible items are outputs produced by the production process. Purchasing plans are the procedures for buying needed materials. Research facilities are used to develop new products.

SOURCE: OP:017 Explain the concept of production

SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

30. B

Reduce expenses. Switching to a different internet provider to save money on a monthly bill is a way to reduce expenses. Businesses often use financial information to determine ways to reduce expenses. Saving money on the internet bill is not the same as increasing sales, creating a budget, or planning business expansion.

SOURCE: FI:579 Describe the need for financial information

SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

31. A

He used an incorrect word. Communication requires a two-way connection to work. Unfortunately, people often make mistakes when they are communicating that prevent this two-way connection from forming, such as using an incorrect or misspelled word. In his email, Joel should have used the word “accept,” not “except.” Other communication barriers include poor grammar or syntax, inappropriate language, filler words such as “um” or “like,” and inappropriate communication methods. These behaviors are barriers to effective communication because they distract from the message and might portray the sender in a negative light. In this example, Joel appears unprofessional and not detailed-oriented, which might hurt his chances of being offered the internship.

SOURCE: EI:007 Explain the nature of effective communications

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

32. C

Run a background check. When shopping for an investment broker, you should always run a background check. You're entrusting your money and your financial future to this person, so it's important to make sure they deserve that trust. It's not necessary to disclose to a potential broker how much money you have to invest. Certain brokers are more suited to certain investors—what works for your parents will not necessarily work for you. You may want to read the broker's advertisements, but advertisements don't tell the whole story. A background check will provide much more useful information.

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

SOURCE: U.S. Securities and Exchange Commission. (2019, May 29). *Updated investor bulletin: How to check out your investment professional*. Retrieved August 15, 2024, from <https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins/updated-0>

33. C

Defined benefit. A defined benefit retirement plan guarantees the specific benefit that will be payable at the time of retirement. The employee does not have much control over the funds until they are received, but the employer is the one who bears the risk for making sure that the amount is paid. Defined contribution plans are funded primarily by the employee, with the employer matching contributions. A 401(k) is a type of defined contribution plan. Social Security is a government system that provides benefits to retired people and is funded through payroll tax.

SOURCE: FI:569 Discuss the nature of retirement planning

SOURCE: IRS. (2024, June 5). *Defined benefit plan*. Retrieved August 15, 2024, from <https://www.irs.gov/retirement-plans/defined-benefit-plan>

34. D

Airline ticket. Many lending institutions and retailers offer credit cards, which allow individuals or businesses to purchase now and pay later. Because credit card holders often pay high interest rates and other fees, they must be careful when using their credit cards so they don't charge more than they can pay off in a reasonable time frame. Using credit cards to make large-dollar purchases often makes it easier to change or cancel transactions such as airfare. In fact, many businesses prefer credit cards as a payment method. Using a credit card to purchase a pack of gum, a magazine, or a small pizza is not always a good idea, especially if the transaction fee is higher than the price of the good or service.

SOURCE: FI:058 Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.)

SOURCE: Gans, E. (2022, March 28). *When to use your credit card (and when not to)*. Retrieved August 14, 2024, from <https://www.zdnet.com/finance/credit-cards/when-to-use-your-credit-card-and-when-not-to>

35. A

Not jumping to conclusions. Being respectful when considering conflicting viewpoints means avoiding jumping to conclusions or making assumptions before you've heard the entire viewpoint. It also means considering things objectively, not subjectively. To show respect when considering conflicting viewpoints, you should listen to the facts, not to your gut. Avoiding people who are different from you is not respectful.

SOURCE: EI:136 Consider conflicting viewpoints

SOURCE: LAP-EI-136—Pick a Side (Considering Conflicting Viewpoints)

36. B

Facts. Vision is the future that you desire to create. To fulfill a vision, the leader may need to get others to embrace the vision and help them carry it out. Enlisting others' support might include using rational persuasion, which is the method of appealing to others' intellects and minds by providing supporting facts or evidence. By providing facts and evidence, the leader is giving reasons to support the vision. Practices are procedures or activities that are followed. Skills are abilities. Assumptions are thoughts or information that are taken for granted as being true, but may not be true.

SOURCE: EI:060 Enlist others in working toward a shared vision

SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)

37. C

Comparing projected sales to actual sales. Analyzing data includes comparing the data you've collected to the plan, standards, and expectations laid out at the beginning of the project. Comparing projected sales to actual sales is an example of this. Deciding to evaluate your team's level of satisfaction is something you would do before analyzing data. Telling stakeholders that you achieved project goals would occur after analyzing data. Planning to complete a future project would also occur after analyzing data. You need to analyze the data first to come to those conclusions.

SOURCE: OP:521 Evaluate project success

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

38. D

Memo. If Sophia needs to transmit a message to her staff that involves lots of numbers and figures but doesn't require much explanation, a memo is her best bet. This way each employee will have a record of the information to keep on file. A face-to-face meeting would be an inconvenient way to transmit the necessary information. Sophia would waste valuable time going over each figure, when employees could just as easily read the information themselves. A conference call and voicemails would also not be ideal. With either of those options, the employees wouldn't have the information in front of them. The numbers would also be confusing to explain over the phone. It's always important to choose the correct information channel. If Sophia chooses the wrong one, she could confuse her employees or distort the message.

SOURCE: CO:092 Choose and use appropriate channel for workplace communication

SOURCE: Francis, K.A. (2021, December 7). *Importance of business communication channels*. Retrieved August 14, 2024, from <https://smallbusiness.chron.com/importance-business-communication-channels-117.html>

39. D

An inventor obtains a patent for a new product. Intellectual property is defined as having no physical characteristics. In other words, it is intangible. A patent would be considered intellectual property. Other examples of intellectual property include copyrights and trademarks. Computers, food, and human resources are all tangible resources with physical characteristics, so they are not considered intellectual property.

SOURCE: OP:153 Protect company information and intangibles

SOURCE: Kenton, W. (2024, June 7). *What is intellectual property and what are some types?* Retrieved August 15, 2024, from <https://www.investopedia.com/terms/i/intellectualproperty.asp>

40. B

Confidentiality. Confidentiality is the practice of keeping sensitive information private. In this example, James told Melissa personal information that he didn't want being shared. In other words, he expected the information to remain confidential. Secrecy and privacy are similar to confidentiality but are not the same. Secrecy and privacy have to do with information that is purposely kept from other people, whereas confidentiality has to do with information that has already been shared. Fairness is the ability to make judgments without favoritism or self-interest.

SOURCE: EI:103 Maintain the confidentiality of others

SOURCE: Mind Tools. (2024). *Confidentiality in the workplace*. Retrieved August 14, 2024, from <https://www.mindtools.com/a3x9j59/confidentiality-in-the-workplace>

41. D

Manage all aspects of the operation. Integrated software application packages allow businesses to manage all aspects of the operation, including planning sales, marketing, etc. For example, businesses can monitor the manufacturing process to track the level of inventory to know when products will be available to ship to customers and then generate invoices. Word processing software is used to develop research reports. Spreadsheet programs are used to prepare routine budgets. These programs, as well as programs that enable businesses to search the internet, may be combined in an integrated software application package.

SOURCE: NF:088 Use an integrated business software application package

SOURCE: The MBA Institute. (n.d.). *Integrated software applications and their importance*. Retrieved August 15, 2024, from <https://themba.institute/information-systems-for-managers/integrated-software-applications-and-their-importance>

42. B

Organize information. Organizing information helps you communicate your message to your audience in a meaningful way. One way to organize information is to write down key points on notecards (index cards). Then, you can place the cards in the order of their importance or categories. The advantage to using notecards to organize information is that you can move them around and reorganize as needed. When you have the information in the order that you want it in, you can efficiently write an outline, report, manual, or article, or prepare a presentation. Placing key points on notecards and placing the cards in a certain order will not help you access files, revise facts, or verify the information's accuracy.

SOURCE: CO:086 Organize information

SOURCE: Rosales, R. (2019, August 28). *How to write a research paper*. Retrieved August 14, 2024, from <https://www.aresearchguide.com/1steps.html>

43. B

William follows his employer's rules when he is operating heavy equipment. To prevent accidents in the workplace, businesses develop rules for employees to follow. Employees who follow the business's rules are less likely to be injured. Employees who follow safety rules when they operate equipment are taking steps to maintain a safe work environment. An employee who fails to report problems with equipment or computer wiring is not maintaining a safe work environment. Employees should follow procedures during fire drills. Employees should take the stairs when evacuating a building because elevators may malfunction or fill up with smoke. So problems can be fixed, employees should report workplace hazards (e.g., loose computer wires) to their supervisors or maintenance workers.

SOURCE: OP:008 Maintain a safe work environment

SOURCE: Macpherson, S. (2024). *The 7 most important factors for maintaining a safe workplace*. Retrieved August 15, 2024, from <https://www.thechecker.net/stories/blog/the-7-most-important-factors-for-maintaining-a-safe-workplace>

44. A

Compete with other businesses. Building positive customer relations is one of the least expensive ways for a business to compete with other businesses. A smile, a "thank you," and a helpful attitude are free, and even the smallest businesses with the most limited funds can afford to provide them. Positive customer relations do not affect the costs involved with attracting investors, manufacturing goods, or offering employee bonuses.

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

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

45. C

Provide evidence. When showing why change is necessary, change leaders should provide evidence if possible. This strengthens the case for making the change. Showing evidence may include creating charts and graphs, but this is not necessary. The more details given, the better. It is important to speak to the business's owner or managers during this stage, not just coworkers.

SOURCE: EI:005 Lead change

SOURCE: LAP-EI-005—Start the Revolution (Leading Change)

46. D

Stick to unbiased sources that present two sides of every story. When searching for reliable, relevant information online, it's important to locate objective, unbiased sources. News organizations and encyclopedias are generally good options for unbiased information, but it's still wise to visit multiple sources to confirm that the information you are reading is unbiased. For the most relevant information possible, you should search for newer—not older—content. Visiting websites run by students and nonprofessionals may be helpful as supplements to your research, but you should generally use professional websites (run by news organizations, encyclopedias, governments, etc.) as your main sources of information.

SOURCE: NF:079 Evaluate quality and source of information

SOURCE: Goodwill Community Foundation, Inc. (n.d.). *How to judge online information*. Retrieved August 15, 2024, from <https://edu.gcfglobal.org/en/digital-media-literacy/judging-online-information/1>

47. C

Profit. Profit is the monetary reward a business owner receives for taking the risk involved in investing in a business. To realize a profit, the business must take in more money than it spends. Income is revenue from all sources. Capital is the businessperson's investment in the business. A loss occurs when a firm's income is less than its expenses.

SOURCE: EC:010 Identify factors affecting a business's profit

SOURCE: LAP-EC-910—Risk Rewarded (Factors Affecting Profit)

48. A

Introduce them to other employees. By giving new employees a tour of the facility and introducing them to the people with whom they will work, the business is helping new hires become familiar with their workplace and feel more comfortable in their new environment. New employees have not performed work, so businesses wouldn't provide them with copies of their performance reviews. Although it is important to communicate company rules and expectations to new employees, emphasizing disciplinary actions may be too harsh on the first day of work. Businesses usually give complex projects to employees after they have had sufficient training and experience.

SOURCE: HR:360 Orient new employees

SOURCE: Heathfield, S.M. (2019, October 31). *New employee orientation: Employee onboarding*. Retrieved August 15, 2024, from <https://www.liveabout.com/new-employee-orientation-employee-onboarding-1918195>

49. A

Nonverbal cues. Nonverbal cues are gestures, facial expression, tone of voice, or any other form of communicating without words. In some countries, eye contact is an important nonverbal cue that communicates respect and engagement. This is an example of a cultural norm regarding nonverbal cues, not verbal cues. Personal space and posture are other examples of nonverbal cues, but they are not demonstrated in this example.

SOURCE: CO:059 Interpret others' nonverbal cues

SOURCE: SkillsYouNeed.com. (2024). *Non-verbal communication*. Retrieved August 14, 2024, from <https://www.skillsyouneed.com/ips/nonverbal-communication.html>

50. A

Use abbreviations and symbols. Developing a system of and writing down abbreviations and symbols (i.e., shorthand) is much quicker than writing out long phrases and complete sentences. For example, to remember a very important point, Allison might place a star or asterisk by a key word, short phrase, or abbreviation. After the seminar, Allison can refer to her shorthand notes and write more comprehensive notes for future use. Writing on note cards, focusing on subtopics, and asking the speaker to provide handouts will not help Allison take accurate notes in real time.

SOURCE: CO:085 Utilize note-taking strategies

SOURCE: Fact Monster. (2017, February 21). *Homework center: Taking notes*. Retrieved August 14, 2024, from <https://www.factmonster.com/homework-help/study-skills/homework-center-taking-notes>

51. A

Admit the mistake and quote the correct price. When ethical people make mistakes, they don't try to cover them up or put the blame on someone else. Instead, they admit their mistakes and try to correct them if possible. Everyone makes a mistake at some point in time, and the ethical response is to admit it. Telling the customer the typist made an error or saying the manager provided inaccurate information are examples of blaming the mistake on others. Employees should not ask coworkers to accept responsibility for their mistakes.

SOURCE: EI:004 Demonstrate ethical work habits

SOURCE: LAP-EI-004—Work Right (Demonstrating Ethical Work Habits)

52. D

To share many different opinions. Many businesses encourage employees to participate in group discussions to analyze problems and find solutions. The advantage is that when employees share many different opinions, there is an increase in the chance of developing useful recommendations. However, for the group discussions to be useful, all members must feel comfortable and be willing to express their opinions. Businesses do not make it possible for employees to participate in group discussions to discuss personal issues, to plan extracurricular activities, or to have casual conversations.

SOURCE: CO:053 Participate in group discussions

SOURCE: Management Study Guide. (n.d.). *Tips for a successful group discussion*. Retrieved August 14, 2024, from <https://www.managementstudyguide.com/tips-for-successful-group-discussion.htm>

53. C

Sales dollars and dates. A database software program allows a business to sort customer information by various criteria—customer name, sales volume, customer type, zip code, etc. Queries are database fields that the business uses to sort the data. The type of data that the business wants to retrieve or analyze determines the database query (sorting mechanism) that the business uses. To obtain the desired customer list, the query should include the minimal sales dollars (\$2,500) and the desired dates (e.g., April 2, 2023 - March 31, 2024). The product codes, the customers' last names, account numbers, zip codes, cities, and credit ratings will not yield the desired results.

SOURCE: NF:009 Demonstrate basic database applications

SOURCE: Microsoft. (2024). *Create a simple select query*. Retrieved August 15, 2024, from <https://support.microsoft.com/en-us/office/create-a-simple-select-query-de8b1c8d-14e9-4b25-8e22-70888d54de59>

54. D

Paying off credit card debt. Generally, a short-term financial goal is one that will take no more than 1 to 2 years to achieve. While everyone's circumstances are different, and therefore their short- and long-term goals will vary, paying off credit card debt is a common short-term goal. Opening a business, saving for retirement, and paying off a mortgage are all actions that will likely take much longer than 2 years to achieve, so they are best described as long-term financial goals.

SOURCE: FI:065 Set financial goals

SOURCE: Indeed. (2024, June 20). *Long-term vs. short-term goals: Differences and examples*. Retrieved August 21, 2024, from <https://ca.indeed.com/career-advice/career-development/long-term-vs-short-term-goals>

55. D

Fear the unknown. People will push back against change if they are unsure about how it will affect their work or if they are unsure about what the changes entail. Possessing a positive attitude can help people deal with changes rather than resist them. Individuals who look at the big picture—rather than immediate ramifications—will adjust to change easier. Demonstrating flexibility will similarly help individuals adapt to change rather than resist it.

SOURCE: EI:026 Adjust to change

SOURCE: Lindenberger Group. (2018, January 17). *8 ways to manage change in the workplace effectively*. Retrieved August 14, 2024, from <https://lindenbergergroup.com/8-ways-manage-change-workplace-effectively>

56. C

Coffee. Although coffee contains caffeine that can be habit-forming, many people do not consider it a harmful habit. Cigarette smoking is highly addictive, and the use of tobacco products has been found to cause several diseases (such as cancer) and death. Alcohol is a habit-forming substance and should be used moderately if at all. Prescription painkillers can become a problem if used incorrectly.

SOURCE: PD:002 Maintain appropriate personal appearance

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

57. D

Provide the customer. A brand promise is similar to a guarantee. It is what the business intends to provide the customer. A brand promise differs from business to business, depending on the type of business. For some businesses, the brand promise might be quality at a low price, dependable service, or reliability. Whatever the promise, that is what customers expect from the business. A business's brand promise is not what the business intends to sell to the target market, name its product, or use as a trademark.

SOURCE: CR:001 Identify company's brand promise

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

58. B

Interest. The majority of revenue for mass-market credit card issuers comes from interest payments, which accumulate when a balance carries over from month to month. The principal is the original sum of money which is lent by the bank or credit union to the customer. Stocks are not related to companies profiting from credit cards. Invoices are documents provided to the buyer from the seller to collect payment. These are meant to track and document agreed-upon payments and do not actually yield any profit for the seller.

SOURCE: FI:782 Calculate the cost of credit

SOURCE: Pritchard, J. (2024, July 10). *How to calculate credit card payments and costs*. Retrieved August 15, 2024, from <https://www.thebalancemoney.com/calculate-credit-card-payments-and-costs-315644>

59. A

Stereotyping. Stereotyping is generalizing people based on their backgrounds. When Gia assumes that all young people are not hard workers, she is engaging in stereotyping because she's generalizing the interns based on their age. She is not being respectful or adaptable. Gia's beliefs are not researched—they are her personal biases and opinions.

SOURCE: EI:017 Recognize and overcome personal biases and stereotypes

SOURCE: LAP-EI-917—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

60. A

They have strong personal traits, such as determination and confidence. Determination refers to being able to continue to work at a task or an idea until the desired outcome is achieved. A person who is confident believes in their abilities to complete a certain action or reach a desired goal. Successful entrepreneurs generally have strong personality traits like these. Entrepreneurs have different levels of skills in different areas. Not all entrepreneurs are born with excellent leadership and communication skills. Many need to work to develop those skills. Entrepreneurs sometimes fail at business ownership and go on to try again. While some entrepreneurs might go on to start other businesses, it cannot be assumed that most of them do.

SOURCE: PD:066 Explain career opportunities in entrepreneurship

SOURCE: LAP-PD-066—Own Your Own (Career Opportunities in Entrepreneurship)

61. A

Possible tax penalties. In addition to increased costs of health care and medications, many states and regions also impose a tax penalty for those who are uninsured, leading to an even greater financial burden. Increased premiums and lower deductibles are only applicable for those who have insurance. Regardless of one's insured or uninsured status, health care institutions like hospitals or emergency rooms must provide treatment to those in need. It may result in large medical bills, but hospitals are still required to provide adequate care.

SOURCE: FI:081 Describe the concept of insurance

SOURCE: SBMA. (2022). *Do I really need health insurance? 5 risks of being uninsured*. Retrieved August 15, 2024, from <https://www.sbmabenefits.com/risks-of-being-uninsured>

62. C

Isaac decided to take a position that aligned with his values. When you know what your values are, you can seek out a career that will allow you to experience those values every day and focus your professional goals around them. Riley only spending time with people who share her values does not necessarily relate to the relationship between personal values and careers. A company that only hires people that fit with its vision is not focused on *personal* values, though it might be considering company or brand values. If Tomas's values give him the skills to confront his coworker, his values are impacting his professional relationships, not necessarily his career itself.

SOURCE: EI:126 Assess personal behavior and values

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

63. A

Workers' compensation. Since Paris Shoe Store provides workers' compensation insurance for its employees, Henderson was able to receive monetary benefits and stay at home while his ankle healed. Workers' compensation is insurance purchased by employers to provide benefits to employees who are injured on the job. Business security is something that provides protection for the business or its property. Surety bonds are guarantees that protect a business when another person or business fails to fulfill the terms of a contract between them. Fidelity bonds are insurance coverage that protect a business from losses due to employee theft.

SOURCE: OP:009 Explain procedures for handling accidents

SOURCE: Workers' Compensation Board - New York State. (n.d.). *What is workers' compensation?* Retrieved August 15, 2024, from <https://www.wcb.ny.gov/content/main/Workers/what-is-workers-compensation.jsp>

64. C

Maintaining eye contact. Job applicants should maintain eye contact with the interviewer to convey their interest in the position. Looking at the interviewer indicates that the applicant is paying attention and is interested in what the interviewer is saying. Maintaining eye contact is a positive form of body language that is effective in communicating how someone really feels. Negative body language includes looking at one's feet, slouching in a chair, and staring out a window. These gestures often indicate disinterest and boredom.

SOURCE: PD:028 Interview for a job

SOURCE: Doyle, A. (2021, December 21). *How to use nonverbal communication at an interview*. Retrieved August 15, 2024, from <https://www.thebalancemoney.com/how-to-use-nonverbal-communication-at-an-interview-2061345>

65. D

Maintain an organized workspace. Throwing out junk mail and unnecessary documents on a regular basis is a technique that will reduce clutter and help you maintain an organized workspace. Although discarding unneeded paper may increase your efficiency, it does not ensure that you will meet your deadlines, set your priorities appropriately, or enable you to delegate your work to others.

SOURCE: PD:009 Demonstrate systematic behavior

SOURCE: Time Management Ninja. (2018). *10 tips to keep your desk clean, organized & productive*. Retrieved August 15, 2024, from <https://timemanagementninja.com/2014/02/10-tips-to-keep-your-desk-clean-organized-productive>

66. D

Inventory control. Retail businesses focus on reselling finished products. Therefore, keeping a balanced inventory is crucial for retailers to maximize efficiency, sales, and customer satisfaction. Safety and security, while still important in the retail industry, would be a greater focus in the manufacturing industry and medical industry where businesses may use highly complex machines, chemicals, and procedures. Routing deals with the sequencing of the production process; it is less of a concern for retailers because they do not produce goods. Similarly, scheduling establishes the timetable for the production process and is less applicable to retail businesses.

SOURCE: OP:189 Explain the nature of operations

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

67. D

Credit. Credit allows both businesses and individuals the opportunity to purchase items and pay for them later. Big-ticket items are often bought on credit. Interest is the amount of money that is paid to the lending institution for the use of credit. Convenience is actually an advantage of credit since little or no cash has to be on hand. Customer loyalty is one of the reasons that a business might offer credit.

SOURCE: FI:002 Explain the purposes and importance of credit

SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

68. A

Robbery. To steal money from Puritan Supermarket, the robbers used force, violence, and fear to persuade the cashier to give them the money in the cash register. Robbery is theft that involves the use of force, violence, or fear. Shoplifting is the theft of goods by customers. Burglary is any illegal entry into a building to commit a theft. Embezzlement is theft of valuables that have been entrusted to one's care.

SOURCE: OP:013 Explain routine security precautions

SOURCE: Embroker. (2022, September 2). *What businesses can do to prevent robbery*. Retrieved August 15, 2024, from <https://www.embroker.com/blog/how-to-prevent-robbery-in-a-business>

69. B

Yourself. By improving your ability to understand yourself, you also improve your ability to understand other people. Through understanding others, you will learn what motivates them. Maslow's hierarchy ranks the order of human needs. Objectivity is the ability to view things in an unbiased manner.

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

SOURCE: Cooks-Campbell, A. (2022, July 11). *The importance of knowing yourself: Your key to fulfillment*. Retrieved August 15, 2024, from <https://www.betterup.com/blog/the-importance-of-knowing-yourself>

70. A

Read current industry materials. Responsible workers look for better ways to do their work. This includes keeping up with what is going on in the industry. Having the latest information at their fingertips can help them to handle customers more effectively and efficiently. Watching coworkers doing their jobs would prevent employees from doing their own work. Behaving with honesty and integrity and following unwritten company rules are part of responsible behavior, but they are not related to productivity.

SOURCE: EI:024 Explain the importance of demonstrating initiative

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

71. D

Showing respect for others. Respectful people always honor the rights, freedoms, views, and property of others. This means listening to other people's opinions instead of starting fights, not taking things that don't belong to you, and showing basic politeness. Taking responsibility for your mistakes, keeping your promises, and not sharing confidential information are important techniques, but Brayden is not demonstrating them in this example.

SOURCE: EI:128 Build trust in relationships

SOURCE: LAP-EI-128—Trust in Me (Building Trust in Relationships)

72. A

\$2,980.36. A year-to-date gross pay amount only reflects gross income. To calculate the new year-to-date gross pay, add the gross pay amount to the previous year-to-date gross pay (\$542.13 + \$2,438.23 = \$2,980.36).

SOURCE: FI:068 Interpret a pay stub

SOURCE: Doyle, A. (2022, September 20). *How to read a pay stub*. Retrieved August 14, 2024, from <https://www.thebalancemoney.com/what-is-included-on-a-pay-stub-2062766>

73. D

Devote their full attention to customers. Maintaining a customer service mindset requires employees to set their minds on customers. They should not become distracted by other things around them such as songs on the radio, conversations with coworkers, the amount of work piling up on their desks, or what they will be doing after work or during breaks. Distractions turn their focus away from customers and prevent them from providing quality service.

SOURCE: CR:004 Demonstrate a customer service mindset

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

74. B

Listen and look interested when someone is speaking. If Maureen wants to be a good participant in her company's staff meeting, she should listen and look interested when someone is speaking. She should not use the meeting as a time to bring up unrelated concerns. If she doesn't agree with someone's ideas, she should speak up and respectfully disagree. She should listen while others are speaking, not think about how she will respond.

SOURCE: CO:063 Participate in a staff meeting

SOURCE: Milano, S. (2022, June 17). *Six tips on how to participate in a meeting*. Retrieved August 14, 2024, from <https://work.chron.com/six-tips-participate-meeting-2014.html>

75. B

Gain advice about their filing options. A common reason one would consult with a tax advisor is to gain advice about their filing options. Tax advisors, also known as tax consultants, can also help with organizing and preparing tax documents and returns, evaluate one's tax liabilities, and complete complex tax forms. An actuary is a person who assesses risk and uncertainty using statistical analysis and helps design policies to minimize the cost of that risk. An estate planning attorney creates a financial plan for their clients by helping with drafting wills, naming guardians, selecting powers of attorney, passing down assets to heirs, and minimizing unnecessary taxes, among other things. An investment banker is a person who assists clients with the details and strategy that complicated financial matters (such as mergers, acquisitions, and issuing securities) require. Investment bankers often help others raise capital by issuing stock or borrowing money.

SOURCE: FI:074 Prepare personal income tax forms

SOURCE: In Need Solutions. (2018, November 8). *What's a tax consultant, and why do you need them?* Retrieved August 15, 2024, from <https://inneedsolutions.com/whats-a-tax-consultant-and-why-do-you-need-them>

76. C

Identifying resources. Resources include the people, time, materials, and money it takes to complete a project. Lainey is identifying people resources in this situation. Lainey is not developing quality standards, keeping the project organized, or planning communications.

SOURCE: OP:519 Plan project

SOURCE: LAP-OP-519—Plan On It! (Planning Projects)

77. B

Templates. The template feature of presentation software allows the user to enter information into a set of standardized slides that all have a similar look. The wizard uses already-prepared slide shows to suggest content. Blank slides allow the user to prepare the presentation from scratch. The premade slides would be considered part of the wizard.

SOURCE: NF:008 Demonstrate basic presentation applications

SOURCE: Microsoft. (2024). *Basic tasks for creating a PowerPoint presentation*. Retrieved August 15, 2024, from <https://support.microsoft.com/en-us/office/basic-tasks-for-creating-a-powerpoint-presentation-efbbc1cd-c5f1-4264-b48e-c8a7b0334e36>

78. C

Finding out what a buyer wants. According to the marketing concept, customer orientation is finding out what a buyer wants and providing it for them. Convincing a buyer to buy could be part of the selling process. Researching a firm's competitors could be part of the planning process. And advertising the features of a product could be part of promotion.

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

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

79. C

Go in order. When Chad puts something in place for catching the oil first, he is following his friend's directions in order. Good directions are listed in sequential order, or the order in which they need to occur. There is generally a good reason for the order, so follow it. If you skip around, you may miss one of the directions, which could result in quite a mess. In this situation, Chad is not asking questions, noting key words, or accepting responsibility.

SOURCE: CO:119 Follow oral directions

SOURCE: Muriithi. (2023, August 13). *The importance of following instructions: A key to success*. Retrieved August 14, 2024, from <https://medium.com/@muriithi2222/the-importance-of-following-instructions-a-key-to-success-8bc755cdad4b>

80. A

Business plan elements. To retrieve the most applicable results from an internet search engine, a computer user should enter terms into the query field that are most likely to bring up the desired information. "Business plan elements" are words that are most likely to retrieve the information Todd needs to include in his business plan. If Todd is not satisfied with the results that his initial search returns, he could use search terms such as "business plan components" or "business plan parts." The remaining search terms are too general and would likely not provide the information Todd desires on the first few pages of the results, which would reduce Todd's efficiency in retrieving the desired information.

SOURCE: NF:078 Obtain needed information efficiently

SOURCE: Google. (2024). *How to search on Google*. Retrieved August 15, 2024, from <https://support.google.com/websearch/answer/134479?hl=en>

81. A

Financial analysis. When a company experiences a change in human resources management, it will also experience a change in financial analysis. This is because the business activities are interrelated, and when one activity experiences a change, the other activities will change or adjust as well. For example, if a company hires more employees (a part of human resources management), it will have to adjust the budget to be able to pay them (a part of financial analysis). A change in human resources management would not necessarily cause a change in profits, the business's name, or market share.

SOURCE: EC:071 Describe types of business activities

SOURCE: LAP-EC-071—Strictly Business (Business Activities)

82. C

Inflation. Inflation is an increase in the cost of goods and services. What your dollar buys today won't be the same as what it buys next year. Over the years, the value of money declines. That means that the \$10 bill Kim was given last year has less buying power today. Taxes are monies that individuals or businesses must pay to the government. There's no indication that Kim paid taxes on her \$10. Globalization is the rapid and unimpeded flow of capital, labor, and ideas across national borders. Unemployment is also known as joblessness. Although taxes, globalization, and unemployment levels can impact the economy, none of the three are the direct cause of the decline in the buying power of Kim's money.

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

SOURCE: Tarver, E. (2023, August 28). *What impact does inflation have on a dollar's value over time?* Retrieved August 15, 2024, from <https://www.investopedia.com/ask/answers/042415/what-impact-does-inflation-have-time-value-money.asp>

83. B

Act positively. Hannah's taking dance lessons to combat her negative attitude illustrates the "act positively" step in the process of maintaining a positive attitude. She is not letting the negative attitude take over—instead, she is taking action. Looking sharp, realizing that it won't happen overnight, and having a sense of humor are all steps in the process of maintaining a positive attitude, but they are not illustrated by Hannah's actions.

SOURCE: EI:019 Exhibit a positive attitude

SOURCE: LAP-EI-019—Opt for Optimism (Positive Attitude)

84. C

Irritable/Moody. Cheryl is an irritable/moody customer. Sometimes, she is Jonathan's best friend, and other times, she's very difficult to deal with. A suspicious customer questions everything and is constantly worried that your business might take advantage of them. A slow/methodical customer is indecisive or just takes a long time to make up their mind. A dishonest customer may try to steal or get a discount on merchandise that isn't on sale.

SOURCE: CR:009 Handle difficult customers

SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

85. D

Empathetic. Empathy is the ability to put yourself in another person's place. By showing compassion and sharing a similar experience, you are demonstrating empathetic behavior. To be indifferent means that you don't care or wouldn't respond. To be critical means to find fault with your fellow employee's actions. To be impatient means not taking the time to listen or sympathize.

SOURCE: EI:030 Show empathy for others

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

86. C

Write in "unknown." On occasion, people will encounter questions on employment applications for which they do not know the answer. When this situation occurs, it is acceptable to write "unknown" or "N/A" in the space. This indicates that the applicant has read the question but either doesn't have the information available or doesn't know the answer. It is always better to write in "unknown" or "N/A" than to leave a blank space that might make an employer think that an applicant forgot to answer the question. Applicants should never make up answers. Employment applications are not allowed to contain the types of questions that would obtain strictly personal information from applicants, such as age or religious preference.

SOURCE: PD:027 Complete a job application

SOURCE: GCFGlobal. (n.d.). *Completing a job application*. Retrieved August 15, 2024, from <https://edu.gcfglobal.org/en/jobapplications/completing-a-job-application/1>

87. C

Victim mentality. If you believe you are controlled by the people and circumstances around you, you may hold them responsible for anything that goes wrong in your life. Over time, this can create a victim mentality in which you fail to see the ways you can and should take personal responsibility. Resentment is being frequently upset with others because you think you've been treated unfairly. Maturity is the ability to respond to your environment in an appropriate manner. Being proactive means adapting to the environment in advance of the occurrence of events—taking advantage of opportunities rather than reacting to problems.

SOURCE: EI:075 Take responsibility for decisions and actions

SOURCE: LAP-EI-075—It's Up to You (Taking Responsibility for Decisions and Actions)

88. A

Health and safety policies. Health and safety policies are designed to protect employees and customers from harm. Leave policies describe how many days of paid or unpaid leave employees are entitled to. Disciplinary policies outline how employees will be punished for breaking company rules. Social media policies outline what employees can and cannot do using social media.

SOURCE: PD:250 Adhere to company protocols and policies

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

89. B

Verbal. Individuals who have effective verbal skills have the ability to communicate with the use of words. When explaining and defending their ideas objectively, individuals often are speaking to others and using verbal communication. Having effective verbal skills enables individuals to speak in an organized manner and present information in a logical order. They are able to speak clearly and provide supporting information in a way that others will understand. Individuals do not necessarily need to have effective technical, computer, or reading skills to be able to explain and defend their ideas objectively.

SOURCE: CO:061 Defend ideas objectively

SOURCE: Kaplan, Z. (2024, June 14). *What are verbal communication skills?* Retrieved August 14, 2024, from <https://www.theforage.com/blog/skills/verbal-communication>

90. A

Equity. Equity funding refers to selling shares in the company in exchange for money that can be used for a new project. Debt funding, on the other hand, refers to taking out a loan from a bank or other lending institution. There is no such thing as dividend funding or accounts payable funding. Dividends are sums of money paid to investors or stockholders as earnings on investments. Accounts payable refers to money the business owes to others.

SOURCE: FI:354 Explain the role of finance in business

SOURCE: LAP-FI-354—Money Matters (Role of Finance)

91. B

Form an opinion. Listening to a political debate, to someone else's opinion about a product, and to a persuasive speech are activities that provide the information you need to decide where you stand. While connecting with others and understanding instructions are also reasons for using active listening, they are not shown here. Increasing satisfaction is not necessarily a reason for active listening.

SOURCE: CO:017 Demonstrate active listening skills

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

92. C

Paradigm. Paradigm innovation occurs when there is a significant change in thinking, particularly in the way a product is viewed by users and society at large. Positioning innovation occurs when the purpose of a product is changed. Process innovation focuses on how something is done. Product innovation occurs when a business either creates or improves a product. Psychological is not a type of innovation.

SOURCE: PD:126 Explain the need for innovation skills

SOURCE: LAP-PD-126—Ideas in Action (Innovation Skills)

93. B

Unlimited; limited. The purpose of economic activity is to fulfill unlimited wants through the proper allocation of limited resources. Institutions and individuals do not have limited wants, because as soon as one want is fulfilled, another rises to take its place. Resources are naturally scarce—no one has unlimited resources.

SOURCE: EC:003 Explain the concept of economic resources

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

94. D

Sales are expected to increase by 5%. Spreadsheet software programs allow businesses to use a computer to perform accounting and other financial calculations. An advantage of using a spreadsheet program is that a business can make various assumptions about sales and find out quickly what effect they will have on its financial situation. For example, a business could change the level of sales by different percentages, such as 5% or 10%, to find out the effect that would have on net income. The spreadsheet program automatically does the calculations. Although keeping appointments might lead to sales, a salesperson would likely not use a spreadsheet program to track appointments. Mailing labels are generated with database programs. Database programs are also used to track customers' purchases.

SOURCE: NF:010 Demonstrate basic spreadsheet applications

SOURCE: Rosenberg, E. (2024, August 8). *The importance of Excel in business*. Retrieved August 15, 2024, from <https://www.investopedia.com/articles/personal-finance/032415/importance-excel-business.asp>

95. C

Keep yourself on target. It's important to put your goals on paper. If you form an idea of what you want to do, but neglect to write it down, you could forget it. But a written goal is something you can refer back to at any time. You can look it over to keep yourself on target as you work toward achieving it. You should choose your goals before you write them down. Writing down your goals does not help you modify or cancel them. It should help you focus on your goals, not distract you from them.

SOURCE: PD:018 Set personal goals

SOURCE: LAP-PD-918—Go for the Goal (Goal Setting)

96. C

Follow-up letter. After a meeting, interview, or any other type of communication, follow-up letters can be sent to check in, give thanks, or inquire about the status of an application. Nick is following up after his interview. Order letters are sent to manufacturers or retailers when a customer wants to order a good or service.

Acknowledgement letters are intended to acknowledge that a business has received something. Employees send letters of resignation when they are planning to leave their jobs.

SOURCE: CO:133 Write business letters

SOURCE: Wickford, H. (2018, June 29). *10 types of business letters*. Retrieved August 14, 2024, from <https://work.chron.com/10-types-business-letters-9438.html>

97. A

Develop a list of supplies that the business needs. Businesses need to keep supplies on hand for their employees to perform their jobs. The types and quantities of supplies vary by business. A business should keep some supplies on hand so that employees can obtain them when needed. To maintain an inventory of supplies, a business should first determine which supplies the employees need to perform their jobs, such as pencils, printer paper, calculators, etc. After developing a list of necessary supplies, the business can locate vendors, compare prices, order the supplies, and organize a space to store the supplies.

SOURCE: OP:031 Maintain inventory of supplies

SOURCE: Jaymes, C., & Crain, A. (2022, February 27). *How to manage office supplies and maintain inventory*. Retrieved August 15, 2024, from <https://www.wikihow.com/Manage-Office-Supplies-Inventory>

98. B

High demand. A seller's market is the best time for producers to sell. It is characterized by large demand, small supply, and high prices. Equilibrium price is the price at which the quantity of a good that buyers want to buy, and the quantity that sellers are willing to sell at a certain price, are exactly equal.

SOURCE: EC:005 Explain the principles of supply and demand

SOURCE: LAP-EC-905—It's the Law (Supply and Demand)

99. A

Collaborate with others. Effective team members must be willing to help, work well with, recognize the strengths of, and listen to other team members. It is important for team members to be objective, provide positive and negative feedback in a courteous, respectful way, and offer their opinions as needed. Team members should be willing to perform any activities they can—even those activities they don't like to do, but they shouldn't take on complex or technical jobs that they are not qualified to perform.

SOURCE: EI:045 Participate as a team member

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

100. D

A direct-mail letter asking for financial support to help a charitable organization. When asking for financial support, the writer is trying to persuade the recipient to give money. When developing a persuasive message, the writer is trying to change the recipient's behavior. The recipient might require information such as how the money will be used and why the organization needs the money. In persuasive inquiries, it is usually best to use the indirect format. When using the direct format, the writer has specific information that is needed. Sales reports, the date and time of a workshop, or eligibility requirements in an organization can usually be requested through the direct format.

SOURCE: CO:040 Write inquiries

SOURCE: Claytor, T. (2024, August 12). *How to write persuasive letters*. Retrieved August 14, 2024, from <https://www.wikihow.com/Write-Persuasive-Letters>