



Competency-Based
Competitive Events
Written Exam

Test Number 1341
Booklet Number _____

Business Management and Administration Cluster Exam

BLTDM – Business Law and Ethics Team Decision Making Event
HRM – Human Resources Management Series Event

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have 90 minutes to complete all questions.

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1. When a manager spends time guiding, inspiring, and instructing their team, the organization benefits primarily because this behavior
 - A. initiates action toward organizational goals.
 - B. measures performance against standards.
 - C. establishes the company's long-term strategy.
 - D. eliminates the need for employee training.
2. Kathleen refuses to mentor junior employees because she fears being replaced. This is an ethical issue in knowledge management related to
 - A. regulatory non-compliance.
 - B. knowledge hoarding.
 - C. professional negligence.
 - D. external competition.
3. Which of the following is the best example of two businesses in direct competition:
 - A. A gasoline provider and a diesel provider
 - B. A computer chip manufacturer and a computer store
 - C. A local sandwich shop and a sandwich shop chain
 - D. A sit-down restaurant and a grocery store
4. Angie is nervous about a test she's taking this week. One way in which a little stress can help Angie on her test is that it can cause her to
 - A. be more irritable with her family.
 - B. study extra to ensure she is adequately prepared.
 - C. get an exemption from taking the test.
 - D. spend all night worrying about it.
5. Charlie performs best when his manager makes all the decisions, assigns specific tasks, and closely supervises his work. This preference aligns best with a(n) _____ management style.
 - A. authoritarian
 - B. transactional
 - C. democratic
 - D. laissez-faire
6. An explanation of the responsibilities and tasks associated with a specific job is called a job _____, while a job _____ is an explanation of the skills, knowledge, and characteristics required for the job.
 - A. specification; interview
 - B. interview; orientation
 - C. description; specification
 - D. description; orientation
7. Maintaining positive, long-term relationships with vendors requires _____ collaboration.
 - A. infrequent
 - B. reactive
 - C. ongoing
 - D. occasional

8. Vata, a customer service manager, implements a new information system that requires employees to get his permission before accessing any document in the system. In the following months, the department has an increase in customers who abandon their calls due to high wait times. Vata's mistake was that he failed to make the information
- A. usable.
 - B. retrievable.
 - C. accurate.
 - D. complete.
9. Juicerz, a fresh-pressed juice company, faces a civil lawsuit alleging that the company failed to properly clean its produce before juicing, resulting in sick customers. Why might the company decide to settle this lawsuit out of court?
- A. Because settling ensures it will not face consequences
 - B. Because it is illegal for a company to fight a civil lawsuit
 - C. To minimize costs and protect its reputation
 - D. To prove that it has nothing to hide
10. Nigel, a fast-food executive, devises a strategy to enhance customer service at his restaurants. However, during team meetings, he struggles to articulate his vision clearly, creating confusion around his goal. What barrier to effective planning is Nigel's team encountering?
- A. A lack of systems
 - B. Limited hours to complete tasks
 - C. Inadequate funding
 - D. A lack of leadership
11. Pari is considering either arbitration or mediation to resolve a grievance with her neighbor. Which of the following is a possible advantage of using arbitration over mediation:
- A. Arbitration ends in a formal decision made by a third party.
 - B. Arbitration ends when both parties agree to a final decision.
 - C. Arbitration is non-binding.
 - D. Arbitration carries no legal consequences.
12. Nexus Solutions' management team has discovered that its assembly line for solar panels frequently produces units with minor wiring defects. In response, the team decides to implement a data-driven methodology focused on eliminating the defects and reducing the variability of its units. Which continuous improvement method is Nexus Solutions likely utilizing?
- A. Kaizen
 - B. Total Quality Management
 - C. Lean manufacturing
 - D. Six Sigma
13. A political pundit is often criticized for sharing false information intended to mislead others and attract viewers to their show. This is an example of
- A. disinformation.
 - B. half-truths.
 - C. misinformation.
 - D. transparency.

14. An American electronics manufacturer must adjust its distribution schedule to international customers with different daily work schedules. This is likely an example of which of the following global supply chain issues:
- A. Accountability and compliance
 - B. Time zone differences
 - C. Language barriers
 - D. Cultural conflicts
15. What is a primary benefit that organizations gain from ethical knowledge management?
- A. Increased knowledge hoarding
 - B. Less training
 - C. Elimination of competitors
 - D. Improved processes
16. Which of the following is an example of a raw material:
- A. Soap
 - B. Backpack
 - C. Tape
 - D. Steel
17. Which of the following characterizes the relationship between ethics and law:
- A. Ethics are derived from laws.
 - B. What is legal is always ethical.
 - C. What is legal is not always ethical.
 - D. Ethical conduct is usually illegal.
18. Businesses can lower costs by minimizing
- A. transparency.
 - B. excess inventory.
 - C. customer loyalty.
 - D. product quality.
19. The buying and selling of raw materials would most likely occur within the _____ function of supply chain management.
- A. planning
 - B. returning
 - C. delivering
 - D. sourcing
20. Ariadne needs to make a large order for maximum flexibility and a discounted price. What type of purchase order should Ariadne make?
- A. Contract
 - B. Standard
 - C. Planned
 - D. Blanket

21. Harrison Gourd, a specialty ceramics store, is offered a shipment of low-priced pottery. However, the store owner discovers the vendor used unethical labor practices to produce the goods. To act in a socially responsible manner, the owner should
- A. accept the offer.
 - B. decline the offer.
 - C. donate a portion of the profits.
 - D. ask for a better discount.
22. Garen has filed a lawsuit against a local restaurant chain alleging that it gave him food poisoning that sent him to the hospital. Currently, the attorneys from both sides are exchanging information like medical records, restaurant receipts, health inspection reports, and testimonies from family and employees. It is likely that Garen's lawsuit is in the _____ stage of the litigation process.
- A. trial
 - B. investigation
 - C. pretrial
 - D. discovery
23. Supply chain networks maximize efficiency and productivity through a process called network
- A. operation.
 - B. optimization.
 - C. deviation.
 - D. mitigation.
24. Iris owns a small landscaping business. Hudson, her client, is claiming the work done on his patio was not of the quality specified in their contract and is withholding final payment. Hudson tells Iris he may pursue legal action but wants to hear her side. Both parties wish to maintain their amicable relationship and avoid costly legal battles. Which of the following processes would be most appropriate to resolve the conflict:
- A. Mediation
 - B. Argumentation
 - C. Litigation
 - D. Arbitration
25. Which of the following is an example of a supply chain prioritizing self-evaluation:
- A. Managers maintaining regular contact with supply chain members
 - B. Encouraging employees to develop solutions to work disruptions
 - C. Operating quickly without compromising quality
 - D. Avoiding pursuing new technologies and processes
26. Alicia is the project manager for a software startup. During a brainstorming meeting, a team member suggested modifying the scope of the project. Alicia responded, "Let's not waste time on half-baked suggestions." For the rest of the project, Alicia had trouble getting suggestions and ideas from her team. What did Alicia do wrong?
- A. Tried too hard
 - B. Became too flexible
 - C. Discouraged employee suggestions
 - D. Took too many risks

27. A manufacturer currently produces 5,000 units per month with operating costs of \$2,000. The manufacturer increases production to 10,000 units per month with operating costs of \$3,000. Which of the following best describes the impact of this development:
- A. Production costs will decrease overall.
 - B. Operating costs per unit will increase.
 - C. Product demand will increase overall.
 - D. Operating costs per unit will decrease.
28. Artificial intelligence (AI) can improve supply chain warehousing by creating a more efficient _____ management system.
- A. wealth
 - B. inventory
 - C. human resource
 - D. financial
29. Over the course of a project, Radmila holds regular status meetings to check the team's progress against the original plan. What is the primary purpose of Radmila's comparison?
- A. To allocate and confirm all necessary resources for the next fiscal quarter
 - B. To determine the final profit margin and calculate return on investment
 - C. To confirm the project is on track and spot any problems early
 - D. To formally review and approve any changes to the project scope
30. Which of the following financial statements enables a business to look at its bottom line:
- A. Cash flow statement
 - B. Balance sheet
 - C. Proxy statement
 - D. Income statement
31. Tylan is a procurement specialist and is currently negotiating terms with a vendor. When the vendor requests a higher price for their goods, Tylan informs them that he is strictly prohibited from buying above a certain price. He explains this policy comes directly from management. What negotiating tactic is Tylan using?
- A. Limited authority
 - B. Deadline driven
 - C. Bargaining
 - D. Silence
32. Which of the following activities is the most critical task performed during the project closure phase:
- A. Monitoring work progress and comparing actual expenditure to the planned budget
 - B. Approving the initial project budget and scope statement
 - C. Beginning resource acquisition and team formation for the next project
 - D. Conducting a post-implementation review and handing off deliverables to the client

33. When a team resolves conflicts, establishes clear roles, and begins to work together effectively toward the project goal, they are in the _____ phase of team development.
- A. performing
 - B. norming
 - C. forming
 - D. storming
34. What is the primary function of a work breakdown structure (WBS) in project management?
- A. To serve as the final document that formally closes the project
 - B. To list all team members and assign their daily working hours
 - C. To track the project's financial cash flow and profit margins
 - D. To hierarchically decompose the project scope into smaller work packages
35. When facilitating a group discussion, Asia notices that one team member is dominating the conversation while another, quieter member has not spoken. How should Asia manage this situation professionally and ensure diverse input?
- A. Overlook the imbalance, as the loudest person typically has the best ideas.
 - B. Publicly interrupt the dominant member and ask them to remain silent for a set period.
 - C. Kindly and directly ask the quieter member, "What are your thoughts on this?"
 - D. Stop the meeting and reschedule it for a time when only the quieter members can attend.
36. Aanya is a salaried employee at Prints-a-Lot who spends a third of her paid work hours scrolling social media rather than performing her duties. Because the company is paying for labor it does not receive, this behavior represents a _____ risk.
- A. financial
 - B. strategic
 - C. hazard
 - D. credit
37. Which of the following is a career that falls under operations management:
- A. Benefits administrator
 - B. Employee relations manager
 - C. Procurement analyst
 - D. Data scientist
38. After Acme Insurance discovers an error in the pricing model used in its customer database, an analyst fixes the mistake. To adhere to the best practice for data change management, what is the most important step the analyst must complete immediately after making the fix?
- A. Send an email to the CEO about the discrepancy and how to fix it.
 - B. Delete the incorrect data to prevent anyone from accidentally using it.
 - C. Schedule a company-wide meeting to train all employees on the changes.
 - D. Create a detailed log entry explaining what was changed and why.

39. In which of the following situations would writing an analytical report be most appropriate:
- A. An HR manager wants to update employees on a new workplace policy.
 - B. A general manager wants to develop a budget based on last quarter's earnings.
 - C. An employee wants to make a written complaint to HR about another employee.
 - D. A salesperson wants to give a client a summary of a product's features and price.
40. To protect customer data, businesses should keep sensitive records
- A. public.
 - B. compressed.
 - C. encrypted.
 - D. expensive.
41. Martha works in a dentist's office where patients' teeth are regularly inspected for cavities using X-ray imaging with an AI image processing algorithm to identify potential cavities, speeding up appointments and catching issues earlier. This is an example of a business making use of
- A. expert systems.
 - B. networking technology.
 - C. database systems.
 - D. satellite technology.
42. Two employees at Bee's Knees Farms apply for the same manager position. One is the owner's nephew, but the other has better sales numbers. Because the company follows ethical hiring practices, they promote the employee with better performance. This is an example of promoting based on
- A. seniority.
 - B. merit.
 - C. nepotism.
 - D. demographics.
43. Which of the following is a common piece of paperwork that employees are required to complete during job orientation:
- A. Annual performance review form
 - B. Cover letter
 - C. Direct deposit authorization form
 - D. W-2 tax form
44. Rorschach, a medium-sized consulting business, needs a recordkeeping solution. The company has three departments, each with its own needs. The company requires a system that will not require extra hours or employees, but will organize, process, and store its business records safely. Which solution would be most effective?
- A. Outsource recordkeeping to a third party.
 - B. Hire a full-time recordkeeper.
 - C. Have the head of the company take over recordkeeping.
 - D. Create a recordkeeping department.

45. Last week, Elliot purchased a haircut, a rotisserie chicken, and a virtual concert ticket. He purchased _____ economic good(s) and _____ economic service(s).
- A. three; zero
 - B. one; two
 - C. zero; three
 - D. two; one
46. Which of the following is an example of analyzing human resources information:
- A. Gathering quotes from vendors
 - B. Reviewing employee salaries
 - C. Forecasting future profits for a new product
 - D. Reviewing customer survey responses
47. Which of the following best describes research reports:
- A. They are written by conducting and reporting on investigations into an industry, audience, or business question.
 - B. They evaluate the performance of marketing indicators and summarize key metrics for marketing decisions.
 - C. They are mainly written on an annual basis and present overviews of a company's operations and finances.
 - D. They are written by interpreting data and drawing conclusions for the purpose of decision making.
48. Why do businesses utilize formal quality management frameworks, such as Six Sigma, ITIL, or CMMI?
- A. To eliminate the need for internal audits or external compliance checks
 - B. To delegate quality control responsibilities to first-line managers
 - C. To minimize product defects by inspecting every finished item before it leaves the facility
 - D. To provide a systematic approach for improving process efficiency and product outcomes
49. Knowledge management is different than information management in that knowledge management primarily focuses on the
- A. supervision and control of finished products in stock.
 - B. creation and sharing of expertise among employees.
 - C. creation and upkeep of job descriptions and organizational charts.
 - D. maintenance of hardware, networks, and security protocols.
50. Business process thinking can help eliminate
- A. cash.
 - B. silos.
 - C. overhead.
 - D. employees.
51. Marco's marketing team is using project management software for a new campaign. Compared to email or paper checklists, what is the main advantage of this digital platform?
- A. Automated creation of designs and slogans
 - B. Elimination of in-person team meetings
 - C. Real-time tracking of tasks and deadlines
 - D. Physical access to data during power outages

52. Which document is the single most authoritative deliverable created during the project initiation phase, giving the project manager the formal authority to start the project?
- A. The project charter
 - B. The stakeholder register
 - C. The risk management plan
 - D. The work breakdown structure (WBS)
53. Which of the following knowledge management processes would make the biggest impact on streamlining onboarding procedures:
- A. Holding regular knowledge-sharing meetings
 - B. Organizing documentation of company procedures
 - C. Using weekly skills assessments to identify knowledge gaps
 - D. Interviewing experienced employees
54. Igor believes the corporate culture at a car dealership is disrespectful and unprofessional after numerous negative experiences with the dealership's employees. Igor is critical of the business's
- A. operations.
 - B. tangible environment.
 - C. intentions.
 - D. intangible environment.
55. Orwell wants to implement a formal knowledge harvesting policy for his organization to guide managers and team leaders in best practices for knowledge transfer. The policy should specify that knowledge harvesting be performed
- A. early and often.
 - B. at the end of an employee's tenure.
 - C. after two years of employment, then annually.
 - D. once per year.
56. When an employee departs, a business can protect its digital assets by
- A. destroying the employee's computer.
 - B. storing the employee's personal information.
 - C. shutting down work-related accounts.
 - D. deleting all file backups.
57. Wynter's friend Sean has had trouble finding a job. He complains that he has a good resume, but interviewers seem offput within minutes of meeting him. Sean asks Wynter for advice. She knows that Sean does not put much effort into the first impression people get of him. What should Wynter suggest Sean do to improve his first impression?
- A. Dress in clothes that are expensive and trendy.
 - B. Practice every possible interview question in a mirror.
 - C. Establish dominance by refusing to sit down.
 - D. Dress in clean, well-fitting clothes and smile.

58. A national retailer wants to organize its operations so that each region operates as a semi-autonomous unit with its own resources and objectives. This approach is best described as a _____ organizational structure.
- A. matrix
 - B. flat
 - C. divisional
 - D. functional
59. Abby's Automotive Shop calculates the cash the company generates from its operations after subtracting the cash spent on maintaining and expanding its business assets, like vehicle lifts and air compressors. This calculation identifies the shop's
- A. cash flow from operations.
 - B. free cash flow.
 - C. revenue (total sales).
 - D. net income.
60. Ximena uses brief verbal and non-verbal cues, such as nodding and saying "I see," to signal to her employee that she is paying attention without interrupting. In professional communication, this specific behavior is known as
- A. clarifying.
 - B. an acknowledgment response.
 - C. paraphrasing.
 - D. an open-ended question.
61. CarPro Industries is working to balance automation with talent retention. This is likely an ethical dilemma involving the use of
- A. ethical sourcing.
 - B. data mining.
 - C. reverse logistics.
 - D. artificial intelligence.
62. Dora, a construction project manager, needs to meet an aggressive project deadline. To save time, she instructs the interior design team to begin selecting materials and planning for completed sections of the building while the structural framing crews are still finishing the remaining sections. Dora is using the process of _____ to manage the schedule.
- A. fast-tracking
 - B. crashing
 - C. resource leveling
 - D. scope creep
63. The 100% Rule states that the work breakdown structure (WBS) must include
- A. all costs, labor hours, and resources required for the project.
 - B. every single activity that the project team will perform, including non-deliverable tasks.
 - C. all the work defined in the project scope document, and nothing more.
 - D. exactly 100 tasks or work packages to ensure a manageable size.

64. Patty is organizing a corporate gala. She needs to assign tasks to her eight-person team, set deadlines, and see which elements are falling behind schedule in real-time. Which type of software would best meet Patty's needs?
- A. Document management software
 - B. Customer relationship management software
 - C. Spreadsheet software
 - D. Project management software
65. Which of the following types of regulations has an indirect impact on operations management:
- A. Insurance
 - B. Labor laws
 - C. Minimum wage
 - D. Tax codes
66. What can happen as a result of negative actions by companies?
- A. Decreased market share
 - B. Increased customer loyalty
 - C. Increased efficiency
 - D. Decreased employee turnover
67. To encourage her software development team to meet an aggressive deadline, Tanvi promises a bonus paid vacation day upon completion. Tanvi is relying on _____ motivation to drive performance.
- A. social
 - B. intrinsic
 - C. physiological
 - D. extrinsic
68. Which of the following statements is true regarding the production and purchase of an Apple iPhone:
- A. The final purchase price of an iPhone goes only to Apple, with no distribution to manufacturers or suppliers around the world.
 - B. Apple produces its iPhones entirely from scratch within its own facilities.
 - C. Companies across the globe are involved in the manufacturing and supply chain of Apple's iPhones.
 - D. All components for the iPhone are sourced exclusively from suppliers located in the United States.
69. Which of the following examples best demonstrates fairness in supply chain management:
- A. Keeping track of new environmental laws
 - B. Developing a new strategy for the supply chain
 - C. Going the extra mile to ethically source products
 - D. Procuring goods to meet projected demand
70. Mordecai is writing a research report for his marketing operations manager. He includes an introduction, literature review, research findings, discussion, and conclusion. Which of the following sections is he missing:
- A. Analysis of data
 - B. Research methodology
 - C. Opinion
 - D. Intermission

71. Dyno-Tots needs to purchase \$100,000 of inventory in September but will not generate the revenue to pay for it until December. Which type of financing is most appropriate for this short-term, seasonal need?
- A. Revolving credit
 - B. Mortgage
 - C. Term loan
 - D. Venture capital
72. When a company expands its operations internationally, it must account for political and legal risks, such as
- A. difficulty adapting to local consumer habits.
 - B. fluctuations in currency exchange rates.
 - C. weather-related supply chain delays or disruptions.
 - D. changes in government trade laws or tariffs.
73. To train new employees, ARC Manufacturing provides a procedure manual for assembling a widget and encourages new employees to shadow an experienced worker to learn through observation. The manual is an example of _____ knowledge, and shadowing is an example of _____ knowledge.
- A. explicit; tacit
 - B. tacit; explicit
 - C. tacit; expert
 - D. expert; common
74. Benny's Bed and Breakfast prohibits employees from accepting gifts from vendors. This policy is primarily designed to prevent a potential
- A. conflict of interest.
 - B. breach of confidentiality.
 - C. safety violation.
 - D. copyright infringement.
75. What is the first step of the managerial control process?
- A. Compare performance with standards.
 - B. Determine standards of excellence.
 - C. Take corrective action.
 - D. Measure performance.
76. Incorporating a business process design is important because it leads to increased
- A. redundancies.
 - B. inefficiencies.
 - C. fluidity.
 - D. consistency.
77. O'Ryan reviews business processes for a manufacturing floor and finds that many processes could be performed in parallel instead of one at a time. What quality management process should O'Ryan recommend?
- A. The Taguchi method
 - B. Concurrent engineering
 - C. Lean production
 - D. Robust design

78. Mikayla is determining whether she can afford to buy a new pair of AirPods. Which of the following is the most relevant financial information to her decision:
- A. The closest business that sells AirPods is out of stock.
 - B. Mikayla's sister is planning on purchasing a new pair of AirPods herself.
 - C. Mikayla has budgeted \$1,500 for "fun" purchases this year.
 - D. The last pair of AirPods Mikayla purchased cost her around \$200.
79. When an organization undergoes a major change, such as a merger, which of the following is the most likely impact on employee work life:
- A. Employees experience increased job security.
 - B. Employees require less communication from management.
 - C. Employee morale is improved.
 - D. Employees face increased stress.
80. Jasmine wants to structure her new company so that her personal assets are protected and the business continues to exist legally even after her death. Which form of business ownership fulfills these requirements?
- A. General partnership
 - B. Sole proprietorship
 - C. Limited partnership
 - D. Corporation
81. How does technology, such as data analytics software and artificial intelligence (AI), enhance a business's risk management strategy?
- A. By ensuring company systems are purchased from a single vendor
 - B. By transferring all financial risks to third-party insurance providers
 - C. By allowing for the modeling of potential risks and their impact
 - D. By eliminating the need for a dedicated risk manager
82. Sylvia developed a personal vision a few years ago and has found that it no longer accurately represents what she wants in life. What should she do?
- A. Make appropriate adjustments so her vision matches her new desires.
 - B. Review her vision with concern, because visions should not need to change.
 - C. Change her desires to match the personal vision she already developed.
 - D. Nothing, because it is not necessary that your vision reflect your desires.
83. Which of the following is an example of a finished good:
- A. Computer
 - B. Coal
 - C. Crude oil
 - D. Graphite
84. Which of the following would likely increase the involvement of the government in business:
- A. The discovery of a valuable and limited natural resource
 - B. A large round of layoffs from a technology company
 - C. A demand shortage that causes one business to go bankrupt
 - D. Changes in public opinion about a controversial CEO

85. Which of the following is an example of feedforward managerial control:
- A. Lola checks the oven settings during use.
 - B. Marcella adjusts the time of a shift for an employee who has a doctor's appointment.
 - C. Marquis creates a policy that a production machine must be calibrated before operation.
 - D. Tony adds an extra worker to the shift after not meeting production goals the previous day.
86. Which of the following is the most appropriate and professional subject line for an email to a manager requesting a meeting to discuss a new project idea:
- A. Request for Meeting: Discussion of the Q3 Marketing Initiative Proposal
 - B. Q3 Proposal Meeting Request: Available Monday or Tuesday Morning
 - C. NEW PROJECT – Read this now!
 - D. Meeting! Need to chat about an idea ASAP
87. Which of the following is a common reason why companies implement business process change:
- A. To attract new talent
 - B. To improve performance
 - C. To increase costs
 - D. To gain publicity
88. The Prestige Hotel utilizes the ADKAR framework for change management. What is one way that the company can increase the component of desire?
- A. Ensure team members understand the need for the change.
 - B. Create metrics to measure the success of the change.
 - C. Inform employees how the change will directly benefit them.
 - D. Provide ample hands-on practice during training.
89. Zayn is a public relations specialist for an electronics manufacturer. His job title falls under what type of marketing career?
- A. Merchandising
 - B. Professional selling
 - C. Marketing research
 - D. Marketing communications
90. Regaining product value is the primary goal of
- A. financial planning.
 - B. forward integration.
 - C. reverse logistics.
 - D. final mile delivery.
91. Which phase of the change-management lifecycle involves communicating the need for change, dismantling the current status quo, and addressing resistance?
- A. Transition
 - B. Implementation
 - C. Refreezing
 - D. Unfreezing

92. Armin is leading a project where clubs create mental health awareness signs. After securing funding from the student council, he buys supplies from a local art store but realizes on the first day that he did not purchase enough poster boards for all the participants. Armin failed to provide adequate
- A. tangible resources.
 - B. internal sources.
 - C. financial resources.
 - D. external sources.
93. Which principle requires a business to protect its employees and customers from foreseeable harm?
- A. Intellectual property law
 - B. Antitrust regulations
 - C. Duty of care
 - D. Contract law
94. Rigby's bakery uses a trade-secret muffin recipe. The business has grown to the point where Rigby must hire extra bakers. How can Rigby protect his recipe from being stolen by competitors?
- A. Have new bakers sign a non-disclosure agreement.
 - B. File the recipe with the Trade Secret Commission.
 - C. Tell the bakers to keep the recipe secret.
 - D. Have new bakers sign a non-compete agreement.
95. Smiti's Consulting is starting a new project and needs a system to visually identify individual employee skillsets and where that information resides within the organization. What strategic tool should Smiti use?
- A. Relational database
 - B. Accountability matrix
 - C. Gap analysis
 - D. Knowledge map
96. In the United States, consumer protection and fair trade laws are enforced by the
- A. Environmental Protection Agency (EPA).
 - B. Federal Trade Commission (FTC).
 - C. Securities and Exchange Commission (SEC).
 - D. Federal Regulator's Agency (FRA).
97. French Fried, a frozen potato manufacturer, randomly selects bags of fries from the assembly line to inspect them for defects. This process is known as quality
- A. control.
 - B. standards.
 - C. assurance.
 - D. circle.
98. While delivering a presentation, Gerald notices most of the audience is slouched in their seats, yawning. The audience is communicating to Gerald that they are
- A. engaged.
 - B. excited.
 - C. disgusted.
 - D. bored.

99. Which document is essential for a project manager to finalize and archive during the formal project closure phase to ensure that projects can learn from the current one?
- A. The project team's final performance review
 - B. The stakeholder communication plan
 - C. The final budget report
 - D. The lessons learned report
100. The risk of financial loss due to nonpayment from a debtor or customer is _____ risk.
- A. credit
 - B. default
 - C. repayment
 - D. market

1. A

Initiates action toward organizational goals. Guiding, inspiring, and instructing the team are actions associated with the directing function of management. These actions motivate employees, increase productivity, and initiate action toward organizational goals. Establishing the company's long-term strategy is part of the planning function and is not described in this scenario. Measuring performance against established standards is part of the controlling function of management and is not described in this scenario. Guiding, inspiring, and instructing the team does not eliminate the need for employee training.

SOURCE: SM:066 Discuss managerial considerations in directing

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

2. B

Knowledge hoarding. Knowledge hoarding is an internal risk control issue because the company loses its resilience. If Kathleen leaves, the organizational knowledge leaves with her. Kathleen is prioritizing personal job security over the organization's collective growth. External competition is a category error. While Kathleen's fear is related to competition, the risk in this scenario is internal. Regulatory non-compliance is a severity error. While mentoring is a best practice, it is rarely a legal mandate. Professional negligence refers to failing to perform core job duties (like a doctor failing to wash their hands). Refusing to mentor junior employees is a failure of organizational citizenship and knowledge sharing, but it doesn't necessarily mean she is failing at her technical tasks.

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

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

3. C

A local sandwich shop and a sandwich shop chain. Direct competition occurs between businesses selling similar goods or services. A local sandwich shop is in direct competition with a large sandwich chain since they both sell sandwiches. A sit-down restaurant and a grocery store are in indirect competition since they offer different products and services, while both compete for customer dollars. A computer chip manufacturer is a member of the same supply chain as the computer store; they are not in competition. A gasoline provider and a diesel provider are also not in competition because they serve different, non-interchangeable market segments.

SOURCE: EC:012 Explain the concept of competition

SOURCE: LAP-EC-012—Ready, Set, Compete! (Competition)

4. B

Study extra to ensure she is adequately prepared. One way in which a little stress can help Angie is that it can cause her to study extra to ensure she is adequately prepared for her test. We all face stress at some point in our lives, and it isn't always a bad thing—in fact, a little bit of it can be great! When a little bit of stress is working for you, it can actually help you face challenges successfully. But there's also a dark side to stress. Spending all night worrying about the test and being irritable with her family are negative results of stress. A little stress is unlikely to get Angie an exemption from her test.

SOURCE: EI:028 Explain the nature of stress management

SOURCE: LAP-EI-028—Keep Your Cool (Stress Management)

5. A

Authoritarian. Authoritarian managers prefer to exercise a high degree of control over their subordinates, such as making decisions, assigning tasks, and closely supervising employee work. Democratic managers prefer to exercise a moderate degree of control over their employees; they tend to involve employees in decision-making and problem-solving. Laissez-faire managers assume little or no leadership responsibility, allowing subordinates to determine their own work behavior and productivity level. Transactional managers use a system of rewards and punishments to motivate employees and achieve short-term goals.

SOURCE: EI:037 Foster positive working relationships

SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Relationships)

6. C

Description; specification. A job description is an explanation of the responsibilities and tasks associated with a specific job. A job specification is an explanation of the skills, knowledge, and characteristics required for the job. A job interview is a conversation between a job applicant and a company representative to determine if the applicant should be hired. A job orientation is the initial process of welcoming new employees to an organization, providing them with essential information and resources to begin their role.

SOURCE: SM:065 Describe managerial considerations in staffing

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

7. C

Ongoing. When a business is continuously willing to work with other businesses (e.g., vendors) to achieve their mutual goals, it is exhibiting ongoing collaboration. Ongoing cooperation involves a willingness to negotiate fairly and to communicate (interact) openly and honestly on a continuous basis. These actions help build a trusting and favorable relationship.

SOURCE: OP:241 Maintain vendor/supplier relationships

SOURCE: Klugerman, Y. (2017, November 14). *Top 7 ways to build and maintain strong vendor relationships*. Retrieved December 10, 2025, from <https://feedvisor.com/resources/e-commerce-strategies/top-7-ways-build-strong-relationships-vendors>

8. B

Retrievable. Effective information management ensures that information is retrievable, accurate, accessible, up to date, complete, and usable. In this case, employees could not access the information they needed in a timely manner, which is a problem of retrievability. There is no indication the information was inaccurate, incomplete, or unusable.

SOURCE: NF:110 Discuss the nature of information management

SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

9. C

To minimize costs and protect its reputation. Settling a lawsuit is often less costly than going through with legal proceedings. Additionally, lawsuits have the potential to ruin a company's reputation. Both reasons make settling a common and reasonable response to a lawsuit. Settlement agreements do not prove innocence or guilt. Companies have the legal right to defend themselves against civil lawsuits. Settling often includes consequences in the form of financial payments, bad publicity, or company policy changes.

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

SOURCE: The Finley Firm, P.C. (2024, April 2). *Why do so many business lawsuits eventually settle?* Retrieved December 3, 2025, from <https://www.thefinleyfirm.com/blog/2024/04/why-do-so-many-business-lawsuits-eventually-settle/>

10. D

A lack of leadership. Being a leader requires developing a strategy and then clearly expressing it, so the entire team understands the goal. If the leader's vision is not clearly expressed, the team may fail to understand the goal, resulting in underwhelming outcomes. A lack of systems refers to not having the right systems in place to support a new strategy. Limited hours to complete tasks refers to not having an adequate number of employees or time to fulfill the leader's vision. Inadequate funding refers to not having the necessary resources to execute the plan properly. There is no indication in this scenario that Nigel's team is encountering a lack of systems, limited time to complete tasks, or inadequate funding.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: Leonard, K. (2025). *Six barriers to effective planning*. Retrieved December 11, 2025, from <https://smallbusiness.chron.com/six-barriers-effective-planning-45281.html>

11. A

Arbitration ends in a formal decision made by a third party. Arbitration involves a neutral third party that makes an unbiased decision, which can be an advantage when both parties are unlikely to agree to an outcome. Arbitration does not end when both parties agree to a decision. Arbitration is often binding and typically carries legal consequences.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: MetLife. (2025, March 15). *Mediation vs. arbitration: Key differences & which to choose*. Retrieved December 3, 2025, from <https://www.metlife.com/stories/legal/mediation-vs-arbitration/>

12. D

Six Sigma. Six Sigma is a methodology that utilizes data collection and statistical analysis to eliminate defects and reduce variability. Kaizen focuses on creating positive change through small improvements made by employees over time. Lean manufacturing focuses on eliminating waste to improve the efficiency of processes. Total Quality Management is a general management approach, rather than a specific method for continuous improvement.

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

SOURCE: Six Sigma. (2025). *What is Six Sigma?* Retrieved December 30, 2025, from <https://www.6sigma.us/six-sigma/>

13. A

Disinformation. Disinformation is false information that is intended to mislead others. People who spread disinformation know what they are saying is false and are deliberately trying to misrepresent something to cause trouble or push an agenda. Misinformation is false or inaccurate information that isn't intended to mislead others (e.g., getting the facts wrong when telling a story). A half-truth is a statement that is partly true but leaves out some facts. Transparency is the quality of being just as one seems and being open and truthful when communicating.

SOURCE: EI:038 Explain ethical considerations in providing information

SOURCE: LAP-EI-038—A Fine Line (Ethical Considerations in Providing Information)

14. B

Time zone differences. Firms that operate internationally must adjust their schedules and processes to accommodate partners on the other side of the globe. When questions or issues arise, it is important for supply chains to have open lines of communication. Accountability and compliance, language barriers, and cultural conflicts are all serious risks associated with global supply chains, but they are not illustrated in this example.

SOURCE: OP:480 Discuss global supply chain issues

SOURCE: Jenkins, A. (2025, March 3). *12 supply chain trends for businesses to watch in 2025*. Retrieved December 9, 2025, from <https://www.netsuite.com/portal/resource/articles/inventory-management/supply-chain-trends.shtml>

15. D

Improved processes. Organizations with ethical knowledge management practices reap numerous benefits. When employees are transparent and share knowledge with one another, everyone benefits; products and processes will improve because everyone is aware of the latest developments and ideas. Ethical knowledge management practices are more likely to lower the risk of knowledge hoarding, not increase it. Ethical knowledge management has no impact on competing businesses, and it would likely increase the need for training.

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

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

16. D

Steel. Raw materials are items in their natural state or condition (e.g., steel) used to make other goods. Finished-goods inventory contains products that are ready to be marketed. Tape, soap, and backpacks are all examples of finished goods.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Banton, C. (2025, September 19). *Understanding raw materials*. Retrieved December 8, 2025, from <https://www.investopedia.com/terms/r/rawmaterials.asp>

17. C

What is legal is not always ethical. Ethical conduct often comes down to personal choices and is not always determined by law. Similarly, just because something is legal does not make it ethical. Ethics may sometimes be derived from laws, but laws are also derived from ethics. Ethical conduct is not usually illegal

SOURCE: EC:106 Explain the nature of business ethics

SOURCE: LAP-EC-106—On the Up and Up (Business Ethics)

18. B

Excess inventory. Businesses can lower costs by reviewing and decreasing excess inventory. Customer loyalty is the customers' preference for a business. Transparency is open and honest communication and should exist through a company's processes. While minimizing product quality may seem like it would reduce costs, it results in higher returns, more warranty claims, and a loss of brand reputation, leading to a higher long-term cost.

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

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

19. D

Sourcing. Supply chain management includes the sourcing, or procurement, of goods to meet planned or actual demand. Those goods may be raw materials, or items in their natural state or condition such as steel, gasoline, and coal. The planning function involves developing a comprehensive strategy for the entire supply chain. The deliver function is the processing and shipping of customers' orders, also known as order fulfillment. The return function seeks to create a seamless path of products back through a supply chain.

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

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

20. D

Blanket. Blanket purchase orders are made when a certain good or service is needed, but the schedule and amount are uncertain. They anticipate the need of goods and services over a set period. This provides both the purchaser and supplier more flexibility to arrange purchase orders and adjust pricing and scheduling as needed. Standard, planned, and contract purchase orders will likely not provide sufficient flexibility and affordability.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Poskitt, C. (2019, September 27). *The know-it-all guide to purchase orders*. Retrieved December 9, 2025, from <https://www.turbinehq.com/blog/guide-to-purchase-orders>

21. B

Decline the offer. Socially responsible companies are responsible for their supply chains and should source their goods ethically. Asking for a better discount, donating a portion of the profits, or accepting the offer are all options that would benefit the company at the expense of the unethical labor used to produce the goods.

SOURCE: QM:012 Discuss ethical considerations in quality management

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

22. D

Discovery. During the discovery stage of the litigation process, both sides exchange as much evidence as possible, from documents to text messages. Investigation is the first stage of the litigation process and typically takes place before a lawsuit is filed. Pretrial happens if a settlement is not reached, while a trial takes place before a judge or jury and leads to a final decision in the lawsuit.

SOURCE: BL:160 Describe the litigation process

SOURCE: SAC Attorneys LLP. (2025). *What are the stages of business litigation?* Retrieved December 3, 2025, from <https://www.sacattorneys.com/articles/what-are-the-stages-of-business-litigation/>

23. B

Optimization. Network optimization is the process of improving a supply chain network through a variety of strategies, including strategic alignment, technological innovation, and risk assessment. Supply chain networks aim to mitigate risks, not networks. Network operation and network deviation are not traditionally recognized terms for supply chain network improvement.

SOURCE: OP:479 Describe supply chain networks

SOURCE: SAP. (2024, August 8). *What is a supply chain network?* Retrieved December 9, 2025, from <https://www.sap.com/resources/supply-chain-network>

24. A

Mediation. Since Hudson is open to hearing Iris's side of the story and both parties want to maintain their relationship, a formal, adversarial, and binding legal process is probably not necessary. Mediation is a way to resolve legal conflicts in a less formal, more collaborative manner without a trial, judge, or jury. It is less costly and more relaxed than other options, making it ideal for this scenario. Arbitration is a more formal and adversarial process where arguments are presented and a clear decision is reached by a third party. Litigation is the most adversarial process, involving a judge or jury, legal arguments, and expensive legal fees. Argumentation is not a formal legal process.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: MetLife. (2025, March 15). *Mediation vs. arbitration: Key differences & which to choose*. Retrieved December 3, 2025, from <https://www.metlife.com/stories/legal/mediation-vs-arbitration/>

25. B

Encouraging employees to develop solutions to work disruptions. Effective supply chains prioritize self-evaluation by actively engaging employees to develop solutions to challenges or disruptions that may arise. They have metrics in place to help employees measure success at each step of the supply chain. Managers maintaining regular contact with supply chain members is an example of supply chains prioritizing strong communication. Supply chains operating quickly without compromising quality is an example of supply chains prioritizing speed. Businesses avoiding pursuing new technologies and processes is not an example of supply chains prioritizing self-evaluation.

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

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

26. C

Discouraged employee suggestions. Shooting down an employee's idea with language like "waste time" and "half-baked" makes it less likely that other employees will make suggestions in the future. It is difficult to be innovative without engagement from team members. There is no indication that Alicia was particularly flexible, tried too hard, or took too many risks.

SOURCE: PD:126 Explain the need for innovation skills

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

27. D

Operating costs per unit will increase. The manufacturer increases its production by 100% and increases its operating costs by 50%. Since the number of units increased by a greater proportion than operating costs did, the operating cost per unit effectively decreased, not increased, illustrating the effect of economies of scale. Production costs increased overall. Product demand cannot be predicted from this question.

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

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

28. B

Inventory. Many companies have leveraged artificial intelligence to streamline picking, sorting, and packing processes in their warehouses. This use of AI for inventory management, or the process of supervising and controlling the number of finished products a company has in stock, can greatly improve supply chain warehousing. Human resource, financial, and wealth management are not directly related to supply chain warehousing.

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

SOURCE: Stackpole, B. (2020, February 14). *5 supply chain technologies that deliver competitive advantage*. Retrieved December 9, 2025, from <https://mitsloan.mit.edu/ideas-made-to-matter/5-supply-chain-technologies-deliver-competitive-advantage>

29. C

To confirm the project is on track and spot any problems early. The main goal of controlling a project is to measure the difference between the plan and the actual performance to confirm it's on track, then identify any problems early and address them to bring the project back on track. Comparing progress against the original plan can help identify the need for a change, but the formal review and approval is a separate change control process. Calculating the final profit margin and return on investment occurs after the project is complete, not during the control stage. Allocating and confirming resources is not the primary purpose of comparing progress to the plan.

SOURCE: PJ:009 Execute and control projects

SOURCE: GeeksforGeeks. (2025, July 23). *The importance of team meetings in project management*. Retrieved December 5, 2025, from <https://www.geeksforgeeks.org/software-engineering/the-importance-of-team-meetings-in-project-management/>

30. D

Income statement. An income statement is a financial summary that shows how much money the business has made or lost over a period of time. The income statement enables a business to look at its bottom line. A cash flow statement is a financial summary with estimates as to when, where, and how much money will flow into and out of a business. A balance sheet is a financial statement that captures the financial condition of the business at that particular moment. A proxy statement is a document describing information relevant to shareholders, distributed before a shareholders' meeting as an SEC requirement. A cash flow statement, balance sheet, and proxy statement do not enable a business to look at its bottom line.

SOURCE: FI:094 Describe the nature of income statements

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

31. A

Limited authority. Limited authority is a negotiation strategy in which one party claims that they do not have the authority to meet certain requests. This strategy is intended to make sure all agreed-upon terms are reasonable for the firm. A deadline-driven strategy means providing the vendor with specific deadlines to make sure demands are met. Bargaining involves give-and-take tactics by both parties to reach an agreement. Silence involves not speaking and is a good negotiating tactic to use when the discussion becomes heated or when the other party does not like what is being said.

SOURCE: OP:337 Negotiate terms with vendors in business

SOURCE: Schatzki, M. (2021, August 3). *Limited authority negotiation tactic*. Retrieved December 10, 2025, from <https://www.negotiations.com/articles/authority-limits/>

32. D

Conducting a post-implementation review and handing off deliverables to the client. The project closure phase focuses on administrative and contractual finalization and knowledge management. The critical activities involve a post-implementation review to capture valuable insights and the formal hand-off of deliverables to transfer responsibility. Beginning resource acquisition and team formation for the next project is part of the initiation phase for a new project, not the closeout of the current one. Approving the initial project budget and scope statement occurs during the planning or initiation phase of the project. Monitoring work progress and comparing actual expenditure to the planned budget is the primary activity of the monitoring and controlling phase, which occurs throughout the project execution, not just at the end.

SOURCE: PJ:008 Close project

SOURCE: GeeksforGeeks. (2025, July 23). *What is the project life cycle?* Retrieved December 4, 2025, from <https://www.geeksforgeeks.org/software-engineering/what-is-the-project-life-cycle/>

33. B

Norming. The norming stage is when the team establishes consensus on working procedures, settles conflicts from the previous stage, and begins to function cohesively. Performing is the stage where the team is operating at maximum efficiency, and focus is solely on achieving the final deliverable. Forming is the initial stage where team members meet and clarify the project objective and their roles; there is often uncertainty and low conflict. Storming is the stage characterized by conflict, competition, and disagreement over roles, responsibilities, and processes, which the team must overcome.

SOURCE: PJ:007 Manage project team

SOURCE: West Chester University. (2024, December 4). *Tuckman's stages of group development*. Retrieved December 5, 2025, from <https://www.wcupa.edu/coral/tuckmanStagesGroupDevelopment.aspx>

34. D

To hierarchically decompose the project scope into smaller work packages. The work breakdown structure (WBS) is a foundational tool in project planning. Its primary function is to take the overall, high-level objective (the scope) and break it down into successively smaller, more detailed pieces (work packages). This hierarchical structure is essential for accurate estimation, resource allocation, scheduling, and ensuring all necessary work is included. Tracking the project's financial cash flow and profit margins is the function of the project budget and financial reports, which may use the WBS as a cost accounting structure, but not the WBS's primary function. Listing all team members and assigning their daily working hours is handled by the organizational breakdown structure (OBS) and the project schedule/resource plan, not the WBS itself. The WBS defines the work, not the people. The final project report and acceptance documentation close the project. The WBS is a key planning document used at the beginning of the project.

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

SOURCE: Coursera. (2025, October 6). *Work breakdown structure (WBS): Overview, uses, and software*. Retrieved December 4, 2025, from <https://www.coursera.org/articles/work-breakdown-structure>

35. C

Kindly and directly ask the quieter member, "What are your thoughts on this?" A skilled facilitator must actively draw out diverse opinions. Kindly and directly inviting the quieter member to contribute shifts the focus productively and promotes inclusiveness. Asking the dominant member to remain silent for a set period is confrontational and unprofessional. It may cause embarrassment and discourage future participation from the dominant member. Rescheduling the meeting is highly inefficient and excludes important stakeholders, violating the principle of inclusive group decision-making. Overlooking the imbalance is a poor facilitation practice that leads to groupthink, suppresses valuable minority opinions, and reduces the quality of the final decision.

SOURCE: CO:201 Facilitate (lead) group discussions

SOURCE: Coaching for Leaders. (2025). *11 ways to facilitate great conversations*. Retrieved December 5, 2025, from <https://coachingforleaders.com/facilitate-great-conversations/>

36. A

Financial. Financial risks are events or situations that directly impact a company's cash flow. Hazard risks are events or situations that can cause injury or harm to people, property, or the environment. Strategic risks are events or situations that can affect the execution of an organization's long-term plan. Credit risk refers to the probability of financial loss resulting from a borrower's failure to repay a loan.

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

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

37. C

Procurement analyst. Operations management careers focus on planning, organizing, coordinating, and controlling the resources needed to produce and provide a business's goods or services. Common job titles in operations management include procurement analyst, call center supervisor, internal auditor, and operations analyst, to name a few. Benefits administrator and employee relations manager are both job titles found in human resources management. Data scientist is a career in business analytics.

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

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

38. D

Create a detailed log entry explaining what was changed and why. A detailed change log or audit trail is a non-negotiable best practice. It ensures accountability and allows Acme Insurance to trace the history of the data for audits, future problem-solving, and compliance. Communication is important, but it would be an overreach to involve the CEO for a procedural best practice. Training is a necessary later step, but not the immediate best practice for recording the change. The old data should be archived or version-controlled, not deleted, to preserve history for legal or auditing purposes.

SOURCE: NF:264 Adhere to data change best practices

SOURCE: RoseFigura, R. (2025, June 23). *Data change management: How DCM delivers*. Retrieved December 10, 2025, from <https://www.gable.ai/blog/data-change-management>

39. B

A general manager wants to develop a budget based on last quarter's earnings. An analytical report typically involves compiling and interpreting data and drawing a conclusion that assists in decision-making. Developing a budget based on previous earnings is a great use case for this. Written complaints, policy updates, and product summaries do not typically involve analyzing data or drawing business conclusions.

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

SOURCE: Indeed. (2025, July 26). *How to create an analytical report (and why it's important)*. Retrieved December 4, 2025, from <https://www.indeed.com/career-advice/career-development/what-is-analytical-report>

40. C

Encrypted. Encrypting sensitive data such as credit card information, phone numbers, and addresses can prevent security breaches that can lead to information theft. Sensitive records should not be public as they threaten the privacy of customers. Data compression reduces the file size of the records, but does not add security. Keeping records expensive will not necessarily ensure data security.

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

SOURCE: J.P. Morgan. (2024, April 26). *How small and midsize businesses can fight fraud with limited resources*. Retrieved December 9, 2025, from <https://www.jpmorgan.com/insights/cybersecurity/business-email-compromise/fraud-prevention-tips-for-your-business>

41. A

Expert systems. An expert system is a computer meant to mimic human expertise. In this case, Martha uses software that mimics expertise in diagnosing cavities. Martha is not using networking, satellite, or database technology.

SOURCE: NF:003 Identify ways that technology impacts business

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

42. B

Merit. For Bee's Knees Farms to operate ethically, the company would need to promote based on performance/merit. By promoting the employee with better performance, they are choosing a merit-based promotion. Nepotism would be promoting the family member, regardless of performance. Seniority refers to promoting based on time employed by the company and is not relevant in this example. A promotion based on demographics would be based on age, gender, or other illegal factors.

SOURCE: QM:012 Discuss ethical considerations in quality management

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

43. C

Direct deposit authorization form. This form is essential for payroll setup, allowing the employee to specify the bank account where their wages will be electronically deposited. It is a standard, necessary document completed during orientation. Performance reviews are typically completed by the employee and their supervisor after a year of employment, not during orientation. The W-2 tax form is sent to the employee at the end of the year for filing taxes, not during orientation. Job applicants write cover letters prior to orientation.

SOURCE: SM:065 Describe managerial considerations in staffing

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

44. A

Outsource recordkeeping to a third party. Outsourcing recordkeeping to a third party allows Rorschach to continue its business without investing much time or effort into the process. Having the company owner handle recordkeeping does not make sense for a large or medium-sized company with many employees and would likely take considerable time or effort. Rorschach does not want to hire new employees or invest considerable work hours into recordkeeping, so hiring a recordkeeper or creating a new department would not make sense.

SOURCE: NF:001 Describe the nature of business records

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

45. B

One; two. A rotisserie chicken is an economic good because it is physical, useful, scarce, and transferable. A haircut is a service performed by a stylist, and a virtual concert ticket is not a physical good, so they are economic services. That makes one economic good and two economic services total.

SOURCE: EC:002 Distinguish between economic goods and services

SOURCE: LAP-EC-002—Get the Goods on Goods and Services (Economic Goods and Services)

46. B

Reviewing employee salaries. Business analysis is the process of investigating and evaluating a business issue, problem, process, or approach. Businesses analyze a variety of areas that affect their operations, including activities that relate to the human resources management function. Reviewing salaries falls under human resources information analysis. Gathering vendor quotes is a purchasing activity. Evaluating survey responses is a marketing research activity. Forecasting future profits is a financial planning activity.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: Indeed. (2025, June 9). *How to build pay grades and salary ranges: A complete guide*. Retrieved December 9, 2025, from <https://www.indeed.com/career-advice/pay-salary/how-to-build-pay-grades-and-salary-ranges>

47. A

Research reports are written by conducting and reporting on investigations into an industry, audience, or business question. A research report seeks to improve understanding of a topic such as industry or consumer trends. Analytical reports focus on interpreting data and drawing conclusions. Reviewing marketing indicators or performing annual reviews are unrelated to research or analytical reports.

SOURCE: CO:186 Write research reports

SOURCE: Chen, J. (2021, April 6). *What is a research report? How they're produced and impact*. Retrieved December 4, 2025, from <https://www.investopedia.com/terms/r/research-report.asp>

48. D

To provide a systematic approach for improving process efficiency and product outcomes. Frameworks like Six Sigma, Information Technology Infrastructure Library (ITIL), and Capability Maturity Model Integration (CMMI) all serve the same core function: they provide a defined roadmap for managing and continually improving a business's processes. This structured approach helps ensure consistency and drives better, more reliable quality outcomes over time. While quality management frameworks may involve delegating responsibilities to first-line managers, they do not decrease oversight. Frameworks are often used to better prepare for audits and compliance, but they do not eliminate the legal or organizational need for oversight and checking mechanisms. Identifying defects is an important part of quality control, but these frameworks are proactive, not reactive—the goal is to prevent the defects in the first place by improving the process.

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

SOURCE: ASQ. (2025). *Quality management system*. Retrieved December 4, 2025, from <https://asq.org/quality-resources/quality-management-system>

49. B

Creation and sharing of expertise among employees. Knowledge management is the process of creating, identifying, collecting, organizing, sharing, and using knowledge and knowledge sources for the benefit of the organization or business. It primarily involves the creation and sharing of insights and expertise among employees. The maintenance of hardware, networks, and security protocols is a function of information management. The creation and upkeep of job descriptions and organizational charts is a function of human resources management. Inventory management focuses on the supervision and control of the number of finished products a company has in stock.

SOURCE: KM:001 Explain the nature of knowledge management

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

50. B

Silos. Process thinking is a business approach that focuses on understanding and optimizing processes. Rather than seeing a business as a set of isolated tasks or departments, process thinking emphasizes how each part connects and contributes to the entire workflow. Process thinking helps businesses look at the bigger picture and eliminate silos in their business analysis and processes. Business process thinking does not eliminate cash, employees, or business overhead.

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

SOURCE: Kothari, A. (2024, November 23). *Importance of process thinking in business management*. Retrieved December 9, 2025, from <https://tallyfy.com/process-thinking>

51. C

Real-time tracking of tasks and deadlines. Project management software's core value is providing a centralized dashboard for task and deadline management, which drastically reduces confusion and streamlines team collaboration. Project management software is for tracking and coordinating work, not for creating the designs and slogans. It may reduce some meetings, but effective projects still require communication and strategic discussions. Finally, offering a physical backup that remains accessible even during a power outage is an advantage of paper checklists, not project management software.

SOURCE: NF:130 Utilize project-management software

SOURCE: ClickUp. (2024, October 18). *10 benefits of project management software for teams*. Retrieved December 10, 2025, from <https://clickup.com/blog/benefits-of-project-management-software/>

52. A

The project charter. The project charter is the foundational document that formally authorizes the project, defines its high-level scope, and appoints the project manager. The WBS is a key tool created during the planning phase to decompose the scope. The stakeholder register is an output of the identify stakeholders process, which happens early on, but it is not the official authorization document. The risk management plan is a subsidiary plan created during the detailed planning phase to define how risks will be managed.

SOURCE: PJ:005 Initiate project

SOURCE: Good, L. (2025, June 10). *What is a project charter? Complete guide & examples*. Retrieved December 5, 2025, from <https://project-management.com/what-is-a-project-charter/>

53. B

Organizing documentation of company procedures. The challenge of onboarding is one of knowledge transfer to brand-new employees. One way to meet this challenge is to ensure new employees have prompt access to knowledge. Organizing company documentation is a clear way to make this knowledge more available and accessible. Interviewing experienced employees may be part of knowledge capture but does little to impact a company's onboarding procedures on its own. Similarly, skills assessments and regular knowledge sharing meetings serve to improve the knowledge of a company as a whole but do little for the onboarding process.

SOURCE: KM:018 Apply knowledge management processes

SOURCE: Anderson, B. (2025, May 12). *The knowledge management process: A roadmap to a successful implementation program*. Retrieved December 5, 2025, from <https://bloomfire.com/blog/knowledge-management-process/>

54. D

Intangible environment. A business's intangible environment is the way that employees and customers feel when they interact with the organization. This is also known as corporate culture. When Igor criticizes the dealership's corporate culture, he criticizes its intangible environment. A business's tangible environment is its physical environment (e.g., offices, desks, chairs, manufacturing equipment). A business's intentions refer to its plans or goals. Operations refers to the daily activities and processes that a business uses to create goods or services, earn a profit, and grow revenue.

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

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

55. A

Early and often. Knowledge harvesting should take place early on and throughout an employee's tenure so that the corporation does not miss out on any tacit knowledge transfer. Knowledge harvesting should be done more than once, and more often than once a year. Two years is an arbitrary amount of time to wait before knowledge harvesting.

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

SOURCE: Unisys. (2024, November 14). *Four best practices for effective knowledge harvesting*. Retrieved December 4, 2025, from <https://www.unisys.com/blog-post/ai/four-best-practices-for-effective-knowledge-harvesting/>

56. C

Shutting down work-related accounts. When an employee leaves a company, there is a security risk if that employee still has access to the company's digital assets. Any usernames and passwords to company social media accounts, websites, etc., should be retrieved and either deleted or changed. Removing backups of all files is not practical because those data and files might be important to the company as a whole. Storing personal information will not necessarily protect digital assets. Destroying the employee's computer will not protect any digital assets.

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

SOURCE: Tsur, E. (2024, May 9). *Top 11 digital asset protection methods for 2024*. Retrieved December 9, 2025, from <https://www.memcyco.com/top-digital-asset-protection-methods/>

57. D

Dress in clean, well-fitting clothes and smile. In nearly any interview, dressing well and being friendly will give a positive first impression and make anyone appear more likable and capable. Practicing every interview question is unrealistic. Trying to dominate an interview would likely make Sean appear abrasive and less likable. Expensive, trendy clothes may be appropriate in some professional scenarios, but inappropriate in others.

SOURCE: PD:002 Maintain appropriate personal appearance

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

58. C

Divisional. A divisional structure is an organizational design in which the company is divided into units according to factors such as product, process, territory, customer type, etc. By dividing the company into geographic regions, the company is using a divisional structure. A functional structure divides the company into traditional departments, each with its own set of responsibilities and activities. A matrix structure combines divisional and functional structures; employees answer to a functional manager as well as another cross-functional team. A flat structure refers to an organizational model with few or no layers of middle management between employees and top leadership.

SOURCE: SM:064 Explain managerial considerations in organizing

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

59. B

Free cash flow. Free cash flow represents the actual cash available for a company to use after covering its operating costs and investing in the physical assets needed to stay in business. In this case, the money spent on vehicle lifts and air compressors is considered a capital expenditure. Subtracting these costs from the operating cash flow results in the "free" cash that Abby can use to pay off debt or expand to a second location. Net income measures profitability on paper, while free cash flow measures actual cash liquidity available to the business (net income includes non-cash expenses such as depreciation of assets). Cash flow from operations is only the first part of the equation—it shows cash from the core business but does not yet subtract the money spent on equipment or buildings (e.g., long-term investments). Finally, it does not represent the revenue, as revenue is simply total sales before expenses (e.g., parts, labor, equipment) are subtracted.

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Bank of America. (2025, April 4). *Understanding free cash flow*. Retrieved December 9, 2025, from <https://business.bankofamerica.com/en/resources/free-cash-flow>

60. B

An acknowledgment response. An acknowledgment response is a nonverbal cue or a simple verbal utterance used by a listener to communicate understanding to a speaker. Paraphrasing means restating a message in other words to confirm or clarify its meaning. An open-ended question is a type of question that requires more than a simple "yes" or "no" response. Clarifying refers to the process of asking questions to further understand the message.

SOURCE: CO:017 Demonstrate active listening skills

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

61. D

Artificial intelligence. In recent years, advancements in artificial intelligence (AI) have greatly expanded the capabilities of supply chain technology. Artificial intelligence is technology that mimics or surpasses human intelligence. While AI can increase productivity, widespread implementation could lead to significant job displacement, hurting employees throughout the supply chain whose skills become obsolete. Data mining, ethical sourcing, and reverse logistics are unlikely to be related to ethical dilemmas surrounding automation and talent retention.

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

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

62. A

Fast-tracking. In project management, fast-tracking involves performing tasks simultaneously to compress a schedule and shorten the project deadline. By instructing the interior design team to work at the same time as the structural teams, instead of sequentially, Dora is employing the process of fast-tracking to manage her project schedule. Crashing involves adding additional resources (e.g., money, team members) to shorten a project's timeline. Resource leveling involves shifting deadlines to smooth out resource usage; it typically results in a longer project duration. Scope creep occurs when a project continuously expands beyond its original goals; it lengthens the schedule instead of compressing it.

SOURCE: PJ:010 Manage project schedule

SOURCE: Atlassian. (2025). *Fast-tracking in project management: Benefits and strategies*. Retrieved December 9, 2025, from <https://www.atlassian.com/agile/project-management/fast-tracking>

63. C

All the work defined in the project scope document, and nothing more. The 100% Rule ensures that the WBS captures the entire scope—no more and no less—so all authorized work is defined and decomposed. All costs, labor hours, and resources required for the project relate to the cost and resource baselines, which are developed after the WBS is created and approved. The WBS focuses only on deliverables. General project management activities are usually not included as separate WBS elements. The WBS size is determined by the project's complexity, not an arbitrary number; the rule refers to the total scope, not the quantity of elements.

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

SOURCE: Khateeb, J. (2024, July 2). *The 100% rule in project management*. Retrieved December 5, 2025, from <https://www.johnkhateeb.com.au/post/the-100-rule-in-project-management>

64. D

Project management software. Project management software (e.g., Asana, Trello, Monday.com) is designed to help managers like Patty to coordinate tasks, set and adhere to deadlines, and provide a visual timeline for tracking progress. Customer relationship management software is used to manage information about and relationships with a business's customers. Document management software is used to organize and store documents. Spreadsheet software is used to organize and store data; it could be used to list tasks but lacks specialized tracking features. While Patty might use document management software and spreadsheet software to help manage her project, neither provides the full capabilities of dedicated project management software.

SOURCE: NF:130 Utilize project-management software

SOURCE: Hartshorne, D. (2024, July 4). *What is project management? The complete guide [2025]*. Retrieved December 17, 2025, from <https://monday.com/blog/project-management/guide-to-project-management/>

65. D

Tax codes. Tax codes are only somewhat related to business operations and often have no impact on operations management. Employment regulations such as labor laws and minimum wage requirements directly affect business operations. Insurance law also touches many aspects including manufacturing processes and human resources management.

SOURCE: OP:339 Discuss legal considerations in operations

SOURCE: Bonner, M. (2019, September 5). *How consumer protection laws affect business*. Retrieved December 4, 2025, from <https://www.thebalancesmb.com/how-consumer-protection-laws-affect-businesses-4161325>

66. A

Decreased market share. Any negative action—like not keeping promises, delivering low-quality goods and services, acting unethically, and responding inappropriately to crises—can have a detrimental effect on your company. If the problems go unchecked, you may experience results such as decreased sales and market share, poor business reputation and brand value, high employee turnover, decreased efficiency, and decreased customer loyalty.

SOURCE: MK:019 Describe connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.)

SOURCE: LAP-MK-019—Just Do It... Right (Company Actions and Results)

67. D

Extrinsic. Extrinsic motivation comes from outside an individual and their work. Intrinsic motivation comes from within an individual and is a result of the work or task itself. Physiological motivation refers to the basic, innate drives and bodily needs, such as hunger, thirst, etc., that compel behavior. Social motivation is the psychological drive to engage in, form, and maintain relationships and interactions with others.

SOURCE: EI:059 Motivate team members

SOURCE: LAP-EI-059—Raise Them Up (Motivating Others)

68. C

Companies across the globe are involved in the manufacturing and supply chain of Apple's iPhones. Apple operates on a highly globalized supply chain, meaning it does not produce its iPhones entirely from scratch within its own facilities. Along with companies located in the United States, Apple contracts with numerous other external manufacturers and suppliers from various countries, including Japan, South Korea, and Taiwan. When a customer buys an iPhone, the final retail price is distributed not solely to Apple, but to all the contract manufacturers, component suppliers, distributors, and retailers involved in the process.

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

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

69. C

Going the extra mile to ethically source products. When sourcing goods and materials for a supply chain, this means fostering equitable relationships and engaging in honest, unbiased competition. In supply chain management, fairness might mean engaging in business relationships with suppliers that go the extra mile to ethically source their products. It may cost extra upfront, but the knowledge that their products are ethically sourced makes this more than a fair deal. Keeping track of new environmental laws would be an example of following the letter of the law. Procuring goods to meet projected demand and developing a new supply chain strategy are normal supply chain management functions and do not necessarily reflect ethical behavior.

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

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

70. B

Research methodology. Research reports typically include an introduction, literature review, research methodology, findings, discussion, and conclusion. Analysis of data, intermission, and opinion are not typical sections of a research report.

SOURCE: CO:186 Write research reports

SOURCE: Shorthand. (2020). *How to produce a research report*. Retrieved December 4, 2025, from <https://shorthand.com/the-craft/how-to-produce-a-research-report/#section-Research-reports-include-jlqvutHut0>

71. A

Revolving credit. A revolving credit account is a type of credit account that limits the total amount of money that may be owe and charges interest on outstanding balances. The scenario describes a temporary cash flow gap, not a permanent need for funding. A term loan is typically used to finance long-term assets such as buildings and equipment. A mortgage is a loan used to buy property. Venture capital is capital invested in a project in which there is a substantial element of risk.

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

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

72. D

changes in government trade laws or tariffs. Governmental or legal actions that directly affect a business's operations and profitability are classified as core political and legal risks. Fluctuations in currency exchange rates between the home and host countries are an example of a financial risk. Weather-related supply chain delays or disruptions are an example of an operational risk, not a political or legal risk. Challenges in adapting to local consumer habits and norms are an example of a cultural risk or market risk.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Gajjar, B. (2025). *Ways to identify and mitigate international business risks*. Retrieved December 4, 2025, from <https://www.usemultiplier.com/global-expansion/risks-and-risk-factors-in-international-business>

73. A

Explicit; tacit. Explicit knowledge is knowledge that can be easily communicated to others or readily captured and stored in some type of document or database. The procedure manual is formal, codified, and easily shared. Tacit knowledge is harder to grasp and gained through some sort of experience, such as shadowing. While an expert may have helped create the manual, the manual itself is not a form of expert knowledge. Shadowing an experienced employee is not an example of common knowledge.

SOURCE: KM:001 Explain the nature of knowledge management

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

74. A

Conflict of interest. A conflict of interest is a situation in which it is impossible to be truly impartial. By accepting gifts from vendors, the employee would not be able to maintain impartiality. Copyright infringement refers to using someone's original creative work without their permission. A safety violation refers to a situation that can cause harm to an employee or customer. A breach of confidentiality refers to the unauthorized use of private or sensitive information by someone who had a duty to keep it secret.

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

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

75. B

Determine standards of excellence. It is impossible to assess results without a standard by which to measure those results. The first step in controlling is to make sure there are set standards that can be used to measure excellent work. Once the standards have been established, performance can be measured, then that performance can be compared with the standards, and finally, any corrective action needed can be taken.

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

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

76. D

Consistency. Business process design is the act of creating a brand-new workflow or process. Its ultimate goal is improvement through a series of repeatable steps that work toward achieving a goal. Results of a company incorporating a business process design include increased structure, more consistency, higher efficiency, improved problem-solving, and more professionalism. A business process design leads to more structure, not fluidity.

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

SOURCE: Guthrie, G. (2025, May 26). *What is business process design?* Retrieved December 9, 2025, from <https://nulab.com/learn/strategy-and-planning/business-process-design/>

77. B

Concurrent engineering. Concurrent engineering refers to carrying out processes at the same time when possible. Since O’Ryan found many processes that are needlessly performed separately, concurrent engineering would greatly increase efficiency. Robust design refers to product design and research over manufacturing. Lean production is a general approach to reducing waste. The Taguchi method is another term for robust design.

SOURCE: OP:163 Identify quality-control measures

SOURCE: LAP-OP-163—Take Control (Quality-Control Measures)

78. C

Mikaya has budgeted \$1,500 for “fun” purchases this year. This is the most relevant financial information to Mikayla’s decision because it will allow her to determine whether purchasing the AirPods will set her above or below her budget. If it will set her above it, then purchasing the AirPods may not be a wise decision. However, if it will not, then perhaps Mikayla can afford to buy them. The fact that Mikayla’s sister is planning on purchasing a new pair of AirPods is not relevant financial information to Mikayla’s buying decision. Nor is the price of Mikayla’s last pair of AirPods, or that the closest business that sells AirPods is out of stock.

SOURCE: FI:579 Describe the need for financial information

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

79. D

Employees face increased stress. Organizational change, such as a merger, often disrupts employees’ work lives. This uncertainty can lead to stress as employees struggle to adapt to new expectations and the fear of the unknown. Mergers generally create anxiety about job security, rather than improve it. While morale may be improved for some employees, most employees do not experience improved morale because of a merger. Effective change management requires more communication from management to employees, not less.

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

SOURCE: INTOO. (2025). *Understanding the impact of organizational mergers on employees*. Retrieved December 30, 2025, from <https://www.intoo.com/uk/understanding-the-impact-of-organisational-mergers-on-employees/>

80. D

Corporation. A corporation is a form of business ownership that is owned by stockholders who have purchased units or shares of the company. Defining characteristics of a corporation include limited liability and perpetual life. A sole proprietorship is owned by one person who receives all the profits from the business and assumes all the risks. A general partnership is a partnership agreement in which all partners are liable for a business’s losses. A limited partnership is a partnership agreement in which at least one partner has limited liability and a general partner has unlimited liability.

SOURCE: BL:003 Explain types of business ownership

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

81. C

By allowing for the modeling of potential risks and their impact. The most significant application of modern technology (data analytics, AI, machine learning) in risk management is its ability to process vast amounts of data much faster and more accurately than humans. This helps businesses identify emerging threats, predict the likelihood of a risk event, and model the potential financial and operational impact of these risks. Technology assists human expertise, but it does not eliminate the need for human judgment and ethical decision-making provided by a dedicated risk manager. While vendor management is a part of risk control, mandating a single vendor could actually increase risk and is not the primary function of data analytics or AI in risk management. Insurance is a traditional risk transfer strategy. Technology is primarily a risk reduction/mitigation tool that helps inform the decision to transfer risk, but it does not perform the transfer itself.

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

SOURCE: Pristine School of Management. (2024, July 1). *The role of technology in risk management*. Retrieved December 4, 2025, from <https://www.psmgt.org.uk/the-role-of-technology-in-risk-management/>

82. A

Make appropriate adjustments so her vision matches her new desires. As you learn and grow, you might realize that your personal vision no longer accurately represents what you want in life. That is okay! Just as you will change over time, so will your vision. If at any point you feel as if your vision needs adjustment, don't hesitate to make changes or switch directions entirely. Remember that achieving a personal vision is a never-ending pursuit of your desired future—a challenging but exciting lifelong journey.

SOURCE: EI:063 Determine personal vision

SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)

83. A

Computer. Finished-goods inventory contains products that are ready to be marketed, such as a computer. Crude oil, graphite, and coal are examples of raw materials that are used to make a variety of items.

SOURCE: OP:336 Discuss types of inventory

SOURCE: AccountingTools. (2025, September 3). *Finished goods inventory definition*. Retrieved December 5, 2025, from <https://www.accountingtools.com/articles/finished-goods-inventory>

84. A

The discovery of a valuable and limited natural resource. The government's role in business has historically increased due to environmental concerns about scarce natural resources. The discovery of a new limited natural resource, therefore, would most likely be subject to regulations that affect businesses relying on it. One business going bankrupt may be handled through legal frameworks but would likely not change government involvement in business overall. Similarly, layoffs at one company or controversy about the CEO of one company are unlikely to change government's relationship with business.

SOURCE: EC:008 Determine the relationship between government and business

SOURCE: LAP-EC-008—Regulate and Protect (Government and Business)

85. C

Marquis creates a policy that a production machine must be calibrated before operation. Feedforward controls are those that attempt to monitor and control performance before it occurs. Calibrating a machine before operation is meant to prevent any issues from occurring in the first place. Checking the oven settings during use is a form of concurrent control. Adding an extra worker to the shift after not meeting production goals the previous day is a form of feedback control. Adjusting the shift of an employee for a doctor's appointment does not represent any of the three types of managerial control.

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

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

86. A

Request for Meeting: Discussion of the Q3 Marketing Initiative Proposal. This subject line is concise, clearly states the action required, and provides the necessary context so the manager can prioritize the email. The use of casual language ("Need to chat"), exclamation points, and an unnecessary abbreviation ("ASAP") is unprofessional and lacks clarity. Using all capital letters and urgent, demanding phrasing ("Read this now!") is aggressive, unprofessional, and considered "shouting" in email etiquette. "Q3 Proposal Meeting Request: Available Monday or Tuesday Morning" is professional, but provides too much detail in the subject line.

SOURCE: CO:090 Write professional emails

SOURCE: Meltzer. R. (2023, November 27). *Email subject lines: 18 professional examples*. Retrieved December 5, 2025, from <https://www.grammarly.com/blog/emailing/email-subject-lines/>

87. B

To improve performance. One common reason for implementing business process change is to improve overall performance. Another common reason is to reduce costs, not increase them. Gaining publicity and attracting new talent are not generally reasons for implementing business process change.

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

SOURCE: The Hackett Group. (2025). *Enabling business process change*. Retrieved December 9, 2025, from <https://www.thehackettgroup.com/business-process-change-hackett>

88. C

Inform employees how the change will directly benefit them. When informed of a pending change, team members may ask, "What's in it for me?" To increase desire, it is important for management to inform employees how the change will directly benefit them. If employees are convinced that the change will directly benefit them, their desire for the change will grow. Providing ample hands-on practice during training is a technique for increasing the component of ability in the ADKAR framework. Creating metrics to measure the success of the change is a technique for increasing the component of reinforcement in the ADKAR framework. Ensuring team members understand the need for the change is a technique for increasing the component of awareness in the ADKAR framework.

SOURCE: SM:095 Explain the nature of change management

SOURCE: Prosci. (2025, August 20). *Use the ADKAR model for change success*. Retrieved December 11, 2025, from <https://www.prosci.com/blog/adkar-model>

89. D

Marketing communications. Marketing communications, which falls under the business career area of marketing, involves marketing activities that inform, remind, or persuade the targeted audience of ideas, experiences, goods/services, or images. Job titles commonly found in marketing communications include public relations specialist, marketing communications manager, and media buyer/planner. Public relations specialist is not a career that falls under marketing research, merchandising, or professional selling. Marketing research jobs focus on marketing activities that involve determining information needs, designing data-collection processes, collecting data, analyzing data, presenting data, and using data for marketing planning. Merchandising careers involve marketing activities that are focused on efficient and effective product planning, selection, and buying for resale. Careers in professional selling involve marketing and management activities that determine customer needs/wants and respond through planned, personalized communication to influence purchase decisions and enhance future business operations.

SOURCE: PD:025 Explain employment opportunities in business

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

90. C

Reverse logistics. Supply chain management's ultimate goal is to meet customer demand, but the goal of returning—or reverse logistics—is to regain product value. Product value is regained in a variety of ways, including restocking returned products, providing maintenance to faulty or damaged products, and recycling or reconditioning old products. Forward integration is the vertical integration toward the distribution end of the supply chain. Final mile delivery, or the last leg of the product's journey, emphasizes product delivery over regaining product value. The goal of financial planning is not to regain product value, but to manage operating, procurement, and inventory costs.

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

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

91. D

Unfreezing. The unfreezing stage of the change-management lifecycle is the phase where leaders create awareness of the need for change, challenge existing norms, and prepare the organization to move away from the current state. Transition is the second stage where the actual new processes, behaviors, and systems are introduced and executed. Refreezing is the final stage where the new changes are solidified and integrated into the organizational culture and structure to prevent regression to old habits. Implementation is a general term often synonymous with the moving/change stage, but it is not the specific step dedicated to preparing the organization and overcoming resistance.

SOURCE: SM:096 Explain the change-management lifecycle

SOURCE: Prosci. (2025, August 20). *What is Lewin's change theory? Explanation, pros, and cons*. Retrieved December 4, 2025, from <https://www.prosci.com/blog/lewins-change-theory>

92. A

Tangible resources. Armin's project lacked tangible resources in the form of poster boards at the start of the project. He secured financial resources from the student council. Internal and external sources are the providers of resources. Armin had access to the appropriate sources but did not make full use of them.

SOURCE: OP:003 Identify resources needed for project

SOURCE: LAP-OP-003—Get What You Need (Identifying Project Resources)

93. C

Duty of care. The legal concept of duty of care is a core component of Tort law (civil wrongs). It establishes a legal obligation for a business to act toward others with the prudence and caution that any reasonable person or business would exercise to prevent foreseeable injury or loss. Risk management directly addresses this duty by implementing safety protocols and securing liability insurance to cover financial losses from successful negligence claims. Intellectual property (IP) law deals with protecting creations of the mind, such as patents, trademarks, and copyrights. While IP theft is a significant business risk, it does not pertain to the physical safety or general liability for foreseeable harm to stakeholders. Antitrust regulations focus on preventing monopolistic behavior and ensuring fair competition in the marketplace. They relate to market behavior and pricing power, not the legal requirement for safety and protection from foreseeable physical harm. Contract law governs agreements between two or more parties and their enforcement. While breaches of contract are a major business risk, they do not create the general, unsolicited obligation to ensure the safety and prevent foreseeable harm to all individuals affected by the business's operations.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: Renaut, B. (2023, March 28). *What is the duty of care?* Retrieved December 4, 2025, from <https://www.internationalosos.com/insights/what-is-duty-of-care>

94. A

Have new bakers sign a non-disclosure agreement. A non-disclosure agreement can legally require Rigby's employees to keep his recipe a secret. A non-compete agreement would prevent them from working for Rigby's competitors but does not prevent them from revealing trade secrets to a third party. Telling the bakers to keep the secret carries no legal weight. The Trade Secret Commission does not exist, and trade secrets are not officially filed with the government.

SOURCE: KM:004 Explain legal considerations for knowledge management

SOURCE: Investopedia. (2025, May 13). *Trade secret: Definition, examples, laws, vs. patent*. Retrieved December 4, 2025, from <https://www.investopedia.com/terms/t/trade-secret.asp>

95. D

Knowledge map. Knowledge mapping is the process of visually representing the information assets, expertise, and sources within an organization. An accountability matrix is a chart that defines who is responsible for specific tasks in a project, not who possesses which piece of information. A gap analysis is a tool that allows you to identify the discrepancies between your project and its plan; it could be used after Smiti identifies any missing pieces on her knowledge map. Finally, a relational database is used to store data, not necessarily to help to map human expertise.

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

SOURCE: Mind Manager. (2020, January 21). *Guide to knowledge mapping*. Retrieved December 9, 2025, from <https://www.mindmanager.com/en/features/knowledge-map/>

96. B

Federal Trade Commission (FTC). The Federal Trade Commission promotes competition and protects consumers from unfair or fraudulent practices in the marketplace. The Securities and Exchange Commission regulates financial market activity. The Environmental Protection Agency works to improve human and environmental health. The Federal Regulator's Agency is not a real agency.

SOURCE: OP:339 Discuss legal considerations in operations

SOURCE: Bonner, M. (2019, September 5). *How consumer protection laws affect businesses*. Retrieved December 4, 2025, from <https://www.thebalancemoney.com/how-consumer-protection-laws-affect-businesses-4161325>

97. A

Control. Quality control refers to the process used to check for defects after products have been produced. Quality assurance refers to the process used to prevent defective products from being created. Quality circle refers to a team of employees with similar roles who meet regularly to discuss issues and solve problems. Quality standards refers to the established specifications used to measure the degree of excellence of a good or service.

SOURCE: QM:001 Explain the nature of quality management

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

98. D

Bored. The body language that Gerald is picking up on, slouched posture and yawning, signals that the audience is bored. An engaged audience would be seated upright and paying close attention to his presentation. A disgusted audience may frown or roll their eyes. An excited audience may smile and clap. The audience's body language does not indicate that they are engaged, disgusted, or excited.

SOURCE: EI:025 Demonstrate self-control

SOURCE: LAP-EI-025—Control Yourself! (Demonstrating Self-Control)

99. D

The lessons learned report. This report is the definitive record of what went right and wrong, providing crucial knowledge transfer that directly supports continuous improvement in the organization's future projects. The final budget report is a necessary piece of project documentation for financial closure, but it does not capture the process improvements needed for future work. The project team's final performance review is a human resource management action. While related to the project end, it is not the primary project-level document for future process improvement. The stakeholder communication plan is created during the planning phase and is primarily used during execution, not as a core deliverable for closing and archiving.

SOURCE: PJ:008 Close project

SOURCE: GeeksforGeeks. (2025, July 23). *What is the project life cycle?* Retrieved December 5, 2025, from <https://www.geeksforgeeks.org/software-engineering/what-is-the-project-life-cycle/>

100. A

Credit. The risk of financial loss due to nonpayment from a debtor or customer is called credit risk. Market risk is the possibility that an individual or other entity will experience losses due to factors that affect the overall performance of investments in the financial markets. Default risk is the possibility of loss due to an issuer's failure to repay a bond. Repayment risk is the possibility of loss due to the repayment terms of a bond investment.

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

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