



SAMPLE EXAM

BUSINESS MANAGEMENT + ADMINISTRATION CAREER CLUSTER

THE BUSINESS MANAGEMENT + ADMINISTRATION
CAREER CLUSTER EXAM IS USED FOR THE
FOLLOWING EVENTS:

BUSINESS LAW AND ETHICS TEAM DECISION MAKING **BLTDM**

HUMAN RESOURCES MANAGEMENT SERIES **HRM**

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

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Posted online March 2026 by DECA Inc.

1. When Arlo travels out of the country, he picks up some souvenirs. When he tries to bring them back home with him, he discovers that he has to pay a tax on them. Arlo must pay the
 - A. travel tax.
 - B. souvenir tax.
 - C. customs duty.
 - D. travel duty.

2. When an individual invests in a mutual fund, they are
 - A. taking on a high level of investing risk.
 - B. pooling their money with other investors.
 - C. selecting their own investment options.
 - D. purchasing corporate and government bonds.

3. Wesley is thinking about getting a new phone, so he logged on to a well-known website to read others' opinions and experiences with different types of phones that are currently on the market. Wesley is reading online product reviews to
 - A. make an informed buying decision.
 - B. reaffirm his recent purchasing selection.
 - C. compare the prices of phones from various online stores.
 - D. determine which company has the best phone plan.

4. Before entering a negotiation, which of the following questions should a person ask themselves when analyzing their opponent:
 - A. What are my needs and wants?
 - B. Do we share any common ground?
 - C. What can I learn from the other person's body language?
 - D. When should I focus on the other person's position?

5. One of the roles of ethics in information management involves an individual's right to
 - A. equity.
 - B. safety.
 - C. privacy.
 - D. dignity.

6. The owner receives all of the profits of the business and can act quickly in making business decisions when the form of business ownership is a
 - A. corporation.
 - B. sole proprietorship.
 - C. joint venture.
 - D. partnership.

7. What is a characteristic of an effective persuasive message?
 - A. Is aggressive
 - B. Describes a process
 - C. Summarizes an issue
 - D. Creates desire

8. When Rhett retrieved a client's information and called the phone number listed, he discovered the information was incorrect. This is an example of the importance of _____ records.
- A. paper
 - B. digital
 - C. quality
 - D. required
9. Which of the following is an ineffective form of nonverbal communication to use while giving an oral presentation:
- A. Swaying back and forth
 - B. Moving around the stage
 - C. Facial expressions
 - D. Hand gestures
10. Lucia was interested in becoming an assistant manager but was told that she was not assertive enough for the job. What could Lucia start doing to become more assertive?
- A. Refraining from expressing her thoughts or ideas
 - B. Saying "no" to all requests made of her
 - C. Preventing others from taking advantage of her
 - D. Doing her work without asking for help from others
11. Group orientation sessions for new employees are very important because they
- A. provide in-depth training.
 - B. explain the duties of each job.
 - C. encourage organizational input.
 - D. help to motivate employees.
12. You have a large amount of customer data at your office, and you want to sort through the information and find patterns. You should use data
- A. mining.
 - B. elimination.
 - C. entry.
 - D. creation.
13. Offering to provide additional information after a job interview is often the function of a(n)
- A. email question.
 - B. handwritten note.
 - C. phone call.
 - D. follow-up message.
14. Farmers in a private enterprise economy own the
- A. land they rent.
 - B. workers they hire.
 - C. money they borrow.
 - D. crops they raise.

15. Bethany has decided to make a career change. After 10 years at her company, she is leaving her job for a new position in a different city. What would be the best way for Bethany to tell her manager that she's leaving?
- A. Via text
 - B. In person
 - C. By phone call
 - D. Via email
16. Which of the following is one of the biggest expenses that employees can help a business to control:
- A. Taxes
 - B. Advertising
 - C. Rent
 - D. Payroll
17. Successful brands use brand promises to connect with their customers on a(n) _____ level.
- A. logical
 - B. rational
 - C. emotional
 - D. ethical
18. Which of the following statements about union federations is true:
- A. They represent workers in specific geographic areas.
 - B. They consist of several different national unions.
 - C. They represent workers at a specific company.
 - D. They help to establish new local unions.
19. A business must sell a certain amount of goods or services to create _____ for the company.
- A. debt
 - B. free trade
 - C. competition
 - D. profit
20. Effective collaboration among coworkers requires
- A. mutual respect.
 - B. similar personality traits.
 - C. authoritarian attitudes.
 - D. selective communication.
21. When facilitating a group discussion, you should focus on providing _____, rather than _____.
- A. printed materials; digital resources
 - B. specific directions; vague instructions
 - C. food; beverages
 - D. questions; answers

22. If a company is managing its information effectively, the data should be accurate and
- A. anonymous.
 - B. relevant.
 - C. positive.
 - D. encrypted.
23. Coral and Aaliyah are finishing a school project together. When Coral asks Aaliyah what she thinks about her half of the project, Aaliyah tells her, "That looks good, but let me show you what else you could have done." Aaliyah's comments are an example of
- A. constructive criticism.
 - B. internal feedback.
 - C. negative feedback.
 - D. self-control.
24. Businesses often measure the efficiency of current production methods to find out if
- A. loading docks are organized.
 - B. improvements are needed.
 - C. work areas are kept clean.
 - D. salaries should be adjusted.
25. Emilio is presenting at a sales meeting and wants to show how much of the year's total revenue came from each region. What kind of graphic aid should Emilio use?
- A. Flowchart
 - B. Bar graph
 - C. Line graph
 - D. Pie chart
26. Which type of accountant creates budgets and provides internal information to organizations?
- A. Public
 - B. Mediation
 - C. Managerial
 - D. Financial
27. Craig knows he needs to make some changes, so he analyzes his own behavior and attitude. Instead of ignoring his flaws, he takes an honest assessment. Which adaptable trait is Craig exhibiting?
- A. Respect
 - B. Empathetic behavior
 - C. Self-corrective behavior
 - D. Confidence
28. The employees of the Deluxe Corporation routinely take office supplies for personal use. This is an example of
- A. pilferage.
 - B. shoplifting.
 - C. robbery.
 - D. burglary.

29. Which of the following is a category of innovation:
- A. Physical
 - B. Piloting
 - C. Psychological
 - D. Product
30. Which of the following organizations should be contacted if a service business is not following health and safety regulations:
- A. Utilities commission
 - B. Government agency
 - C. Local chamber of commerce
 - D. Regional risk coalition
31. After starting to write his paper, Shawn realized that he needed to use three sources instead of two. He only had to rewrite the introduction rather than the entire paper. This is an example of how
- A. project quality is the most important criterion to measure.
 - B. only careless people need to take corrective actions.
 - C. monitoring projects saves time and resources.
 - D. it is important to build relationships with stakeholders.
32. Asking a satisfied customer to pass on favorable information to your manager is an example of _____ behavior.
- A. questionable
 - B. unfair
 - C. ethical
 - D. aggressive
33. What is a factor that affects a business's relations with its customers?
- A. Behavior of competitors
 - B. Condition of associates
 - C. Location of suppliers
 - D. Attitude of employees
34. Which of the following would indicate that a job applicant is more likely to make mistakes on the job:
- A. The cover letter lacks the applicant's signature.
 - B. The resume contains misspelled words.
 - C. The applicant did not complete their college degree.
 - D. The applicant does not provide references.
35. Jackson works for a hotel as a quality control specialist. In the past, he inspected every hotel room once a week to ensure that the rooms remained clean, attractive, and fully stocked. Lately, however, he has been skipping weekly inspections and only checking the hotel rooms that guests tell him need attention. What mistake is Jackson making?
- A. He is not trusting his housekeeping staff to perform their jobs well.
 - B. He is not inspecting dirty or disorderly hotel rooms thoroughly enough.
 - C. He is being reactive instead of proactive in his quality-control practices.
 - D. He is failing to communicate effectively with the staff he oversees.

36. In which of the following situations would a conversational, informal tone and slang be most appropriate:
- A. Industry publication
 - B. Report for a CEO
 - C. Social media post
 - D. Company-wide email
37. Jhenae just realized she failed to do an important and difficult task her boss had assigned to her. The task needs to be completed by tomorrow morning. What should Jhenae do to show she has initiative?
- A. Work late to complete it on time.
 - B. Ask her teammates to help complete it.
 - C. Ask her boss to extend the deadline.
 - D. Complete what she can before her work shift is over.
38. While information technology and information systems are similar, information systems emphasize
- A. global trends.
 - B. the people involved.
 - C. coding languages.
 - D. artificial intelligence.
39. Lia wants to be a change leader at work. She's been coming in early for the past several weeks to get some extra training and mentoring from her boss. Which characteristic of a change leader is Lia displaying in this situation?
- A. Willing to go above and beyond
 - B. Persuasive
 - C. Sense of urgency
 - D. Independent
40. Why do businesses make investments?
- A. To pay dividends
 - B. To monitor markets
 - C. To balance cash
 - D. To increase wealth
41. Decreased risk of harm to the environment, greater support from customers, and decreased risk of lawsuits are all examples of the
- A. advantages of starting a limited liability company (LLC).
 - B. benefits of hiring employees with five years of work experience.
 - C. advantages of acting ethically while starting a business.
 - D. need to generate innovative ideas for new businesses.
42. What might employees read to learn about new trends and technology in a specific industry?
- A. News magazine
 - B. Trade journal
 - C. Daily newspaper
 - D. Annual report

43. When our nation enjoys economic growth, what usually happens to domestic economic problems?
- A. They are solved completely.
 - B. They are more easily resolved.
 - C. They are made worse.
 - D. They are not affected.
44. Keeping aisles clear and file cabinets closed would be part of which of the following accident-prevention techniques:
- A. Practicing vehicle safety
 - B. Lifting objects properly
 - C. Following proper health standards
 - D. Maintaining a clean work area
45. A product development team reached out to customers to obtain their feedback on a new product release. The customers were then more likely to participate in a future focus group because they knew their opinions were valued. This is an example of how
- A. customer feedback is rarely useful when evaluating project success.
 - B. evaluating project success builds stakeholder relationships.
 - C. communicating professionally with customers is important.
 - D. it is important to know whether a project achieved its goals.
46. The reason to write a cover letter to submit with your resume is to
- A. list former employers who are willing to serve as references.
 - B. indicate what days and times you are available for an interview.
 - C. summarize why you are a good candidate for the job.
 - D. include critical information that was left out of the resume.
47. A product being in great demand is a factor that might encourage businesses to
- A. decrease inventory.
 - B. gather information.
 - C. adjust prices.
 - D. contact competitors.
48. Which of the following is an advantage of labor specialization by job task:
- A. Decreased worker dependency
 - B. Improved worker morale
 - C. Increased worker efficiency
 - D. Reduced boredom
49. Making a decision when facing an ethical dilemma will most likely make you
- A. unhappy.
 - B. less content.
 - C. anxious.
 - D. more satisfied.

50. Which of the following is a characteristic of an income statement:
- A. Shows the owner's financial position
 - B. Summarizes expenses and revenue from sales
 - C. Is the same as a balance sheet
 - D. Lists assets and liabilities
51. Delia is a third-party logistics professional who has been contracted to revamp the product return system for a local distributor. To achieve this, Delia should develop a(n) _____ plan for the distributor.
- A. market segmentation
 - B. reverse logistics
 - C. data mining
 - D. order fulfillment
52. A nonprofit organization made plans to build a new office building using funds from grants and loans. However, when an issue with the grant money arose, the organization was forced to rethink its carefully laid plans and go in a different direction. What characteristic of effective plans does this example demonstrate?
- A. Feasibility
 - B. Flexibility
 - C. Simplicity
 - D. Goal-alignment
53. Six Sigma, SQC, and ISO 9000 are all examples of
- A. workplace behavior policies.
 - B. decision support systems.
 - C. performance appraisal methods.
 - D. quality management frameworks.
54. Although governments and businesses used computers in limited ways for several decades, the development and widespread use of desktop computers emerged in the 1980s in both homes and businesses, drastically changing the way people and businesses interact. What type of improvement does this situation exemplify?
- A. Incremental
 - B. Breakthrough
 - C. Supplemental
 - D. Compliant
55. A company that wishes to lower its risk management costs might start its own _____ insurance company, which is a type of corporate self-insurance.
- A. professional liability
 - B. compulsory
 - C. captive
 - D. medical malpractice

56. The current price of Sun Valley Corporation stock is \$25 per share. The company has one million outstanding shares. On its latest cash flow statement, the corporation reported cash flows from operating activities of \$15 million. Calculate the corporation's price-to-cash flow ratio.
- A. 2.34
 - B. 1.67
 - C. 3.21
 - D. 5.48
57. Which of the following statements about settling a case is true:
- A. It requires only one party to agree to settle.
 - B. It requires lawyers and courtroom procedure.
 - C. It ends a dispute before the end of a trial.
 - D. It is typically more expensive than going to trial.
58. When organizational change is implemented effectively, which of the following is a true statement about its impact:
- A. It lengthens production cycles.
 - B. It increases morale among workers.
 - C. It is felt for a short period of time.
 - D. It only affects some employees.
59. One way to prevent breaches of digital customer data is to
- A. store data indefinitely.
 - B. share data with all employees.
 - C. collect as little data as possible.
 - D. report data security issues.
60. Which of the following is the management function that focuses on matching the appropriate person with the necessary skills for a specific job:
- A. Interviewing
 - B. Coordinating
 - C. Leading
 - D. Staffing
61. A country's government changes its policies to enact a trade barrier, impacting companies who do business there. This is an example of _____ risk.
- A. currency
 - B. political
 - C. internal
 - D. technological

62. Ahmed wants to determine his company's earnings before interest, taxes, depreciation, and amortization (EBITDA). Some of the information that he needs to calculate EBITDA is found on the income statement, but other necessary information appears on the cash flow statement. What information does Ahmed need to gather from his company's cash flow statement?
- A. Earnings and depreciation
 - B. Amortization and tax
 - C. Tax and interest
 - D. Depreciation and amortization
63. The use of technology in supply chain management often results in
- A. improved budgeting.
 - B. increased efficiency.
 - C. more human error.
 - D. decreased efficiency.
64. An American clothing company manufactures most of its apparel overseas in an effort to cut costs. The company was faced with international backlash and declining sales when one of its factories was found to be in violation of numerous workplace safety laws. This is an example of which of the following global supply chain issues:
- A. Time zone differences
 - B. Language barriers
 - C. Delivery and shipping delays
 - D. Accountability and compliance
65. Which of the following actions can help a business protect its digital assets:
- A. Giving employees full access to all company data
 - B. Making an inventory of digital information
 - C. Backing up key data once per fiscal year
 - D. Allowing employees to bring their own devices to work
66. When a company uses process thinking to design a process, it should make sure that the process has
- A. a deadline.
 - B. an unlimited scope.
 - C. multiple process owners.
 - D. a goal.
67. A manager watches an employee perform a work activity and writes notes that describe the process. This is an example of capturing knowledge by
- A. rationalization.
 - B. interrogation.
 - C. observation.
 - D. imitation.

68. At the beginning of a research report, the writer should include the
- A. appendices.
 - B. purpose of the study.
 - C. bibliography.
 - D. solution to the problem.
69. Sonya wants to show her project team members the logical relationships among activities in their project. What format should she use to present this information?
- A. Milestone and deliverable chart
 - B. Project schedule network diagram
 - C. Project calendar
 - D. Bar chart
70. A company that makes power tools expects the price of steel to rise steadily over the next several months. What should the company do?
- A. Pay attention to cyclical demand.
 - B. Avoid inventory carrying costs.
 - C. Buy steel in bulk and hold raw materials.
 - D. Purchase steel from a foreign vendor.
71. In the business world, quality often refers to excellence, value, and
- A. quantity.
 - B. empathy.
 - C. conformance.
 - D. technology.
72. Measuring the productivity of a business's employees is an example of
- A. positional analysis.
 - B. formal authority.
 - C. managerial control.
 - D. leadership style.
73. The purpose of a project charter is to
- A. document what went well during a project.
 - B. define what needs to be accomplished.
 - C. break down work into smaller activities.
 - D. determine when key deadlines will be met.
74. What is the first part of the litigation process?
- A. Appealing the decision
 - B. Appearing in court
 - C. Filing a motion to dismiss
 - D. Investigating the complaint

75. Technological tools like email, forums, newsletters, and instant messaging are crucial for effective knowledge management because they
- A. decrease interdepartmental interaction.
 - B. facilitate ongoing communication.
 - C. eliminate the need for customer input.
 - D. increase repetition of messaging.
76. During an executive staff meeting, the company's president stated, "Samari Enterprises experienced a three percent increase during the first quarter and a five percent increase during the second quarter of this fiscal year." The company's president is providing the group with
- A. personal opinion.
 - B. explicit knowledge.
 - C. speculation.
 - D. tacit knowledge.
77. Which of the following is a top priority for supply chain managers:
- A. Producing an appealing corporate image
 - B. Controlling costs
 - C. Developing overseas markets
 - D. Gaining leverage in negotiations
78. What is a negative effect of employees who are unwilling to share tacit knowledge with one another?
- A. Low efficiency
 - B. Less competition
 - C. High cohesiveness
 - D. More disclosure
79. Project managers should take steps to manage project risks before they become project issues. The first step in this process is _____ project risks.
- A. responding to
 - B. analyzing
 - C. identifying
 - D. monitoring
80. The Simpson Company is negotiating discount terms with Cornwell Manufacturing, a prospective vendor. During the negotiation, Cornwell states that it is willing to offer Simpson a six-percent discount on orders over \$50,000. Although Simpson would rather have an eight-percent discount, it agrees to the terms, hoping to obtain something it wants later in the negotiation. This is an example of a
- A. withdrawal.
 - B. concession.
 - C. position.
 - D. plea.

81. If a company wants to ensure that changes are implemented in the best possible way and that those changes will lead to long-term benefits, it should use the _____ approach.
- A. change-avoidance
 - B. problem-solving
 - C. change-management
 - D. solution-finding
82. Which of the following is a benefit of using mediation to resolve disputes:
- A. Decisions that carry more weight
 - B. Cost-effectiveness and efficiency
 - C. Higher payouts for defendants
 - D. Unbiased third-party decision maker
83. Which of the following is a true statement about risk management and ethical behavior in business:
- A. Because employees understand right from wrong, they tend to reduce risk levels rather than increase them.
 - B. If employees always behave in an ethical manner, the business will virtually eliminate its risk factors.
 - C. Businesses often reduce the risk of financial loss by providing ethics training for their employees.
 - D. Risk primarily involves the ways in which a firm invests in the stock market, so ethics are not an issue.
84. Which of the following statements regarding cash flow statements is true:
- A. A positive cash flow indicates that a company is financially unhealthy.
 - B. The less cash available for business operations, the better for company investors.
 - C. A cash flow statement is derived from the income statement and the balance sheet.
 - D. A negative cash flow indicates that a company is financially healthy and stable.
85. Planning, sourcing, producing, and distributing a product are steps in _____ management.
- A. delivery
 - B. supply chain
 - C. quality
 - D. risk
86. What is Claire doing when she reviews a report that compares the purchase transactions of the company's four largest customers?
- A. Conducting a sales analysis
 - B. Organizing an inventory report
 - C. Preparing a purchasing forecast
 - D. Analyzing service performance
87. For information to qualify as a trade secret, the information
- A. must be commercially valuable.
 - B. can be known by a large group of people.
 - C. cannot be sold or licensed.
 - D. doesn't need to be protected by a confidentiality agreement.

88. Bryson is responsible for helping his company properly hire and utilize its employees. Which type of business management and administration career does Bryson have?
- A. Human resources management
 - B. Operations management
 - C. Office management
 - D. Business analytics
89. Sydney is dividing the deliverables of a project into smaller, more manageable elements of work for her project team. What process of preparing a project's work breakdown structure is Sydney executing?
- A. Decomposition
 - B. Procurement
 - C. Feasibility assessment
 - D. Communication analysis
90. Determine the type of project-closing report that would most likely contain the following statement: "In review, group members agreed that additional training before the project began and ongoing technical support during the course of the project would have increased overall efficiency."
- A. Executive summary
 - B. Lessons learned document
 - C. Stakeholder's expense audit
 - D. Termination checklist
91. What occurs during the first stage of the change management life cycle?
- A. Organizations identify and communicate the need for change to employees.
 - B. Organizations carry out a strategic plan for implementing desired change.
 - C. Organizations agree on a strategic plan for implementing the desired change.
 - D. Organizations engage in dialogue to determine how to best implement change.
92. Which of the following is an example of a reorder:
- A. Mr. and Mrs. Travis ordered a dining table and chairs in a wood finish that the furniture store doesn't normally carry.
 - B. The Powell Company did not order enough paper towels for the month, so it ordered an additional four cases.
 - C. Sims Steakhouse received six out of eight cases of glassware on Monday because the vendor ran out of stock.
 - D. Henry's Hardware Store ordered 35 model-N1 hammers and 2 cases of 1/4" stainless steel bolts from Franklin Tool Manufacturers.
93. Supply chain network design improves service and reduces cost by aligning purchasing, production, warehousing, inventory, and
- A. marketing.
 - B. transportation.
 - C. promotion.
 - D. the sales force.

94. Before knowledge can be reused or shared, it must be
- A. embedded.
 - B. recognized.
 - C. manipulated.
 - D. analyzed.
95. A project-management software program that includes functions that store and calculate accounting information, such as amortization and expenses, has _____ capabilities.
- A. comprehensive operating and scheduling
 - B. task delegation and charting
 - C. resource scheduling and leveling
 - D. cost assignment and tracking
96. A company wants to be alerted to security breaches and other IT threats. What type of software should the company invest in?
- A. Presentation
 - B. Word processing
 - C. Risk management
 - D. Threat prediction
97. Which of the following is a true statement about the responsibilities associated with managing a project team:
- A. The most important aspect of managing a project team is developing an overall operating budget for the organization.
 - B. It is more important for effective project managers to have financial-management expertise than effective communication skills.
 - C. Project managers usually require team members to work out any conflicts they have on their own.
 - D. Project managers are often responsible for coordinating the activities of team members from several departments.
98. The customer service representatives of a car loan company handle several different types of requests including payments, loan financing, and other general requests. The company determines that the requests are very time-consuming when employees aren't familiar with a procedure. The company implements a business process change that requires agents to specialize in particular procedures to increase their efficiency. Which of the following caused this business process change to be made:
- A. Quality
 - B. Productivity
 - C. Risk management
 - D. Customer experience
99. The primary purpose of the organizing function of management is to provide
- A. leverage.
 - B. structure.
 - C. insight.
 - D. motivation.

100. Which of the following is a benefit of the directing function of management:

- A. It helps determine company goals.
- B. It makes sure everyone knows what their role is.
- C. It allows managers to check progress.
- D. It helps employees coordinate their work.

1. C

Customs duty. Goods that are brought across international borders are often subject to a tax called a customs duty. This is meant to control the flow of goods. It is not called a travel tax, a travel duty, or a souvenir tax.

SOURCE: BL:126 Describe the nature of customs regulations

SOURCE: U.S. Customs and Border Protection. (2024, May 14). *Customs duty information*. Retrieved August 18, 2025, from <https://www.cbp.gov/travel/international-visitors/kbyg/customs-duty-info>

2. B

Pooling their money with other investors. A mutual fund is a collection of stocks and bonds. When you buy a mutual fund, you are pooling your money with other investors, allowing you to pay for a professional manager to select investments for the group. Therefore, when an individual invests in a mutual fund, they are not selecting their own investment options, nor are they solely purchasing corporate and government bonds. Investing in a mutual fund is a relatively low-risk way to invest because a professional financial manager selects appropriate securities for you.

SOURCE: FI:077 Explain types of investments

SOURCE: Potters, C. (2025, February 6). *A beginner's guide to asset classes*. Retrieved August 19, 2025, from <https://www.investopedia.com/articles/basics/11/3-s-simple-investing.asp>

3. A

Make an informed buying decision. The internet has revolutionized the ways in which business is conducted. The internet provides customers with the ability to obtain product information in a variety of ways—from business websites, blogs, newsfeeds, and consumer information websites. In the example, Wesley is doing research to find out how other users like different phones before he makes a decision about the one that he wants to buy. Wesley will likely visit various phone retailers to get product specifications and pricing before making his decision. Although phone plans are often a factor when making a phone purchasing decision, there is not enough information provided to determine whether phone plans will affect Wesley's buying decision. Wesley hasn't purchased his phone yet, so he can't reaffirm his recent purchase.

SOURCE: NF:086 Describe the scope of the internet

SOURCE: Laja, P. (2025, March 16). *How to influence purchasing decisions: 9 factors affecting the consumer decision process*. Retrieved August 18, 2025, from <https://cxl.com/blog/9-things-to-know-about-influencing-purchasing-decisions/>

4. B

Do we share any common ground? As you prepare for a negotiation, you should analyze the other side by asking and answering several questions. You should determine the other person's position and interests, and then ask yourself if you share any common ground. While you should analyze your opponent's body language, this is done when the negotiation is actually underway, not beforehand. Successful negotiations focus on interests rather than positions. You should consider your needs and wants during the first step of the preparation process, which involves determining your minimal and optimal expectations.

SOURCE: EI:062 Demonstrate negotiation skills

SOURCE: LAP-EI-062—Make It a Win-Win (Negotiation in Business)

5. C

Privacy. Information management is the process of accessing, processing, maintaining, evaluating, and disseminating knowledge, facts, or data for the purpose of assisting business decision-making. Some of this information may be personal data that businesses obtain about their employees, customers, suppliers, etc. Individuals have the right to expect that the privacy of their personal information will be maintained. Businesses that are ethical do everything they can to protect private information and make sure it is not misused or made available to unauthorized users. Safety is freedom from danger or risk. Dignity is a high degree of calmness and self-possession. Equity is fairness.

SOURCE: NF:111 Explain the role of ethics in information management

SOURCE: Osano. (2025, August 14). *What is data privacy management?* Retrieved August 18, 2025, from <https://www.osano.com/articles/data-privacy-management>

6. B

Sole proprietorship. Other advantages of a sole proprietorship are that it is easy to start, it has certain tax advantages, and the details of the business can be kept private. In a partnership, the profits are divided among the partners who sometimes disagree as to how profits should be divided. In a corporation, the profits are divided among the stockholders. The officers of the corporation are responsible for the actual operation and management of the firm. A joint venture is an arrangement that involves two or more businesses entering into a relationship by combining complementary resources, such as technology, skills, capital, or distribution channels, for the benefit of all parties.

SOURCE: BL:003 Explain types of business ownership

SOURCE: LAP-BL-001—Own It Your Way (Types of Business Ownership)

7. D

Creates desire. A persuasive message is intended to change a person's mind or to convince someone to take action. For the message to be effective, it should create a desire in the person to do what the message wants. It should present a good reason or potential benefit that will persuade the reader. Otherwise, there may be no incentive for the person to do what the message wants. Persuasive messages often are assertive, but they should not be aggressive. Persuasive messages do not describe a process or summarize an issue.

SOURCE: CO:031 Write persuasive messages

SOURCE: Indeed. (2025, July 25). *How to write an effective persuasive essay in 6 steps.* Retrieved August 18, 2025, from <https://www.indeed.com/career-advice/career-development/how-to-write-persuasive-essay>

8. C

Quality. Rhett would have benefited from quality records—records that are accurate and reliable. Paper records, digital records, and required records (mandated by a governing authority) may or may not be quality records.

SOURCE: NF:001 Describe the nature of business records

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

9. A

Swaying back and forth. Ineffective nonverbal communication includes distracting gestures and actions such as gripping onto the podium, tapping your foot, twisting your hair, or swaying back and forth. Effective nonverbal communication includes facial expressions, hand gestures, and moving around the stage to create emphasis, interact with your audience, and convey meaning.

SOURCE: CO:025 Make oral presentations

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

10. C

Preventing others from taking advantage of her. Assertive people don't take advantage of others or allow others to take advantage of them. They don't refrain from expressing their thoughts and ideas. They do not say "no" to all requests and do not feel guilty about saying "no" when necessary. They also ask for help when it is needed.

SOURCE: EI:008 Use appropriate assertiveness

SOURCE: Petrone, P. (2024, July 15). *How to get promoted — The complete guide to moving up*. Retrieved August 20, 2025, from <https://www.linkedin.com/business/learning/blog/productivity-tips/how-to-get-promoted>

11. D

Help to motivate employees. A good orientation program makes new employees feel welcome, gives them an overview of the business, and helps to motivate them to do their best. Orientation often includes giving the new workers a handbook so that they have a copy of the information being presented. The primary purpose of an orientation session is to provide general information; it is not used to discuss specific job duties, provide in-depth training, or solicit input about organizational processes.

SOURCE: HR:360 Orient new employees

SOURCE: Corporate Finance Institute. (2025). *Human resource management*. Retrieved August 20, 2025, from <https://corporatefinanceinstitute.com/resources/management/human-resource-management/>

12. A

Mining. Data mining involves processing information and finding patterns. If you want to find patterns in your customer data, you should use data mining, not data elimination, entry, or creation.

SOURCE: NF:151 Demonstrate basic data mining techniques

SOURCE: Qlik. (2025). *What is data mining?* Retrieved August 20, 2025, from <https://www.qlik.com/us/data-analytics/data-mining>

13. D

Follow-up message. After a job interview, it is important to send a follow-up, typically in email form, to the interviewer. The message thanks the interviewer for their time and reinforces the applicant's interest in the position. In this communication, it is appropriate to mention your availability to provide any further information the interviewer may need. It is generally not appropriate to follow up with a phone call unless specifically instructed to do so. A handwritten note can be viewed as overly formal or old-fashioned. Emails are common after job interviews, but they should not ask questions—doing so would require the interviewer to respond.

SOURCE: PD:029 Write a follow-up letter after job interviews

SOURCE: Doyle, A. (2021, October 14). *Follow-up email and letter examples for after an interview*. Retrieved August 19, 2025, from <https://www.thebalancecareers.com/job-interview-follow-up-thank-you-letter-email-2063971>

14. D

Crops they raise. Ownership of private property in a free enterprise system also includes ownership of the results of the work; therefore, farmers own the crops they raise. Farmers who rent land do not own it, and they do not own the workers they hire. Borrowing money means that farmers are using it temporarily and must return it to the owner by a certain time.

SOURCE: EC:009 Explain the concept of private enterprise

SOURCE: LAP-EC-009—People Power (The Private Enterprise System)

15. B

In person. This type of information is too important for Bethany to communicate via email, instant messaging, or text. The most appropriate method for Bethany to communicate that she is leaving would be in person, potentially accompanied by an official written letter.

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

SOURCE: Shribman, M. (2023, November 20). *A guide for mastering the art of business communication*. Retrieved August 20, 2025, from <https://www.forbes.com/councils/forbesbusinesscouncil/2023/11/20/a-guide-for-mastering-the-art-of-business-communication/>

16. D

Payroll. One of a business's biggest expenses is payroll. Therefore, it is important for businesses to get full value for their payroll dollars to control expenses. Employees who arrive on time and work their designated hours are helping to ensure that the business receives the time it pays for. Advertising, taxes, and rent are other types of business expenses that are not under the employee's control.

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

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

17. C

Emotional. A brand promise is the specific benefit that customers can expect from using the good/service and interacting with the company. It connects to customers on an emotional level and gives meaning to the brand. Successful brands use brand promises to connect to their customers on a "gut" level. Customers are more likely to be loyal to brands that they feel share their values and beliefs. Some customers may feel connected to a brand due to its ethics, but brand promises do not always connect with customers on an ethical level as they do an emotional one. Customers might choose to purchase products and services from companies due to rational or logical reasons, but these are not usually connected to the business's brand promise.

SOURCE: CR:001 Identify company's brand promise

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

18. B

They consist of several different national unions. A federation is the highest level of union organization consisting of a group of national unions. These national unions of different kinds join together to further their common purposes, such as public relations, political agendas, etc. A local union—the lowest level of union organization—represents workers at a specific company or in a specific geographic area. A national/international union not only consists of a number of local unions, but it also helps establish new local unions.

SOURCE: EC:015 Explain the concept of organized labor and business

SOURCE: LAP-EC-915—Get United (Organized Labor)

19. D

Profit. Profit is the monetary reward a business receives. The business must sell enough goods or services to pay its expenses before it can receive profit. Debt is something that is owed by a business or an individual. Free trade is the elimination of trade barriers between countries. Competition is the rivalry between two or more businesses to attract scarce customer dollars.

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

SOURCE: LAP-EC-010—Risk Rewarded (Factors Affecting Profit)

20. A

Mutual respect. Coworkers must often collaborate with one another to accomplish business goals. For effective collaboration, coworkers must be respectful of one another. This involves being willing to share ideas, appreciating the contributions and knowledge of one's coworkers, and acknowledging each coworker's right to express opinions that others may not agree with. Effective collaboration does not require coworkers to have similar personality traits. An authoritarian workplace structure or management style may hinder collaborative efforts. Effective collaboration requires open and honest communication among all of the coworkers involved in the project or activity.

SOURCE: EI:061 Maintain collaborative partnerships with colleagues

SOURCE: Indeed. (2025, June 6). *7 ways to collaborate with a team effectively (with tips)*. Retrieved August 20, 2025, from <https://www.indeed.com/career-advice/career-development/collaborate-with-the-team>

21. D

Questions; answers. The goal of facilitation is to help the group move forward, not to convey knowledge. The facilitator of a discussion should prepare questions for the group rather than simply provide information or answers. A discussion does not usually require specific questions; guidelines can be open-ended so that participants can feel comfortable sharing different ideas. Printed materials are not necessarily preferred over digital materials—both can function in a discussion setting. Food and beverages are not required for a discussion, and one is not necessarily better than the other.

SOURCE: CO:201 Facilitate (lead) group discussions

SOURCE: Coaching for Leaders. (2025). *11 ways to facilitate great conversations*. Retrieved August 20, 2025, from <https://coachingforleaders.com/facilitate-great-conversations/>

22. B

Relevant. To make business decisions, companies access, store, maintain, and evaluate a variety of information (e.g., facts, data). To make appropriate decisions, companies need to make sure the information they are basing their decisions upon is accurate and relevant. For example, information from an employee's performance review will not help the business determine how to price its products. Information from an anonymous source may be incorrect and could lead to poor decisions and undesirable outcomes. Encryption is the process of transforming information into a secret code so only the recipient can read it. Not all information needs to be encrypted. While positive information about the company is nice, it is more important that the information is honest, accurate, and relevant.

SOURCE: NF:110 Discuss the nature of information management

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

23. A

Constructive criticism. Constructive criticism is evaluative information designed to help someone improve. Negative feedback is feedback involving criticism, a negative judgment about you or your behavior; it tends to make you want to change or modify your words or actions. Internal feedback is feedback that comes from within yourself. Self-control is the restraint of your feelings, words, and actions.

SOURCE: EI:003 Explain the use of feedback for personal growth

SOURCE: LAP-EI-903—Grin and Bear It (Using Feedback for Personal Growth)

24. B

Improvements are needed. Productivity cannot be improved unless it has been measured. Businesses often measure the efficiency of current production methods to determine whether improvements are needed and how to make those improvements. Businesses do not measure productivity to find out if salaries should be adjusted. Making sure work areas are clean and loading docks are organized could be improvements that are needed.

SOURCE: EC:013 Explain the concept of productivity

SOURCE: LAP-EC-013—Make the Most of It (Productivity)

25. D

Pie chart. A pie chart is a type of visual aid that demonstrates the proportion of parts to the whole. In this case, each segment of the pie chart would represent one of the sales regions and show how much of the total revenue came from each one. A bar graph is better suited for showing changes in magnitude over time. A line graph shows changes in direction over time. A flowchart demonstrates a schematic process.

SOURCE: CO:087 Select and use appropriate graphic aids

SOURCE: Indeed. (2025, June 6). *13 types of graphs and charts (plus when to use them)*. Retrieved August 19, 2025, from <https://www.indeed.com/career-advice/career-development/types-of-graphs-and-charts>

26. C

Managerial. Managerial accountants provide internal information to organizations. Managerial accountants contribute to an organization's day-to-day operations, financial decision-making, and business planning. They also forecast sales, create budgets, and allocate costs. Public accountants prepare, analyze, and verify financial data for a variety of clients, including the government, corporations, and individuals. Financial accountants provide information to those outside of the organization. Mediation accountant is a fictitious term.

SOURCE: FI:351 Discuss the role of ethics in accounting

SOURCE: LAP-FI-351—With Due Care (The Role of Ethics in Accounting)

27. C

Self-corrective behavior. When adaptable people encounter new circumstances, they look at their own behavior and attitude and decide what needs to change. This honest assessment is far more helpful than ignoring flaws. This is what Craig does when he analyzes his own behavior and attitude. Respect, confidence, and empathy are all important characteristics of adaptable people, but they aren't illustrated in Craig's example.

SOURCE: EI:006 Demonstrate adaptability

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

28. A

Pilferage. Pilferage is the theft of small sums of money or inexpensive items from a business. Shoplifting is the theft of goods by customers. Burglary is any illegal entry into a building to commit a theft. Robbery is theft that involves the use of force, violence, or fear.

SOURCE: OP:013 Explain routine security precautions

SOURCE: Wolters Kluwer. (2022, February 3). *Detecting and combating employee theft*. Retrieved August 20, 2025, from <https://www.wolterskluwer.com/en/expert-insights/detecting-and-combating-employee-theft>

29. D

Product. Product innovation occurs when a business either creates or improves a product. Other types of innovation include process, positioning, and paradigm. Psychological, piloting, and physical are not types of innovation.

SOURCE: PD:126 Explain the need for innovation skills

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

30. B

Government agency. Service businesses must follow certain procedures to ensure the safety and health of both their customers and their employees. The government establishes health and safety laws to protect the well-being of anyone who enters the business. A service business that does not follow the laws could be endangering customers and employees. If this occurs, the appropriate government agency should be contacted so that corrective action can be taken to prevent accidents or illness. The local chamber of commerce, the utilities commission, and the regional risk coalition are not organizations that handle violations of health and safety regulations.

SOURCE: OP:005 Report noncompliance with business health and safety regulations

SOURCE: U.S. Department of Labor. (n.d.). *Occupational Safety and Health Administration*. Retrieved August 21, 2025, from <https://www.osha.gov/>

31. C

Monitoring projects saves time and resources. If you monitor your project regularly, you'll save time and resources that you might have otherwise wasted. Shawn is saving time that he might have spent rewriting the whole paper because he monitored the project during the process of doing the work. This is not an example of how it is important to build relationships with stakeholders. It is not true that only careless people need to take corrective actions. Finally, quality is not necessarily the most important aspect of a project to measure.

SOURCE: OP:520 Monitor projects and take corrective actions

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

32. C

Ethical. Satisfied customers often tell employees that they are pleased with a good or service. When this happens, it is ethical to ask the customer to pass on that information to management. Favorable comments from customers carry more weight than information provided by employees. In most cases, satisfied customers are willing to write a short review or leave a message expressing their satisfaction. Employees who ask customers to do so are behaving ethically because they are simply asking customers to be truthful. Politely asking customers to pass on favorable information is not an example of aggressive, questionable, or unfair behavior. This practice is common in business and intended to let management know that employees are performing effectively.

SOURCE: EI:038 Explain ethical considerations in providing information

SOURCE: Sparker, B. (2021, May 24). *Asking for reviews from customers: The ultimate guide*. Retrieved August 19, 2025, from <https://www.reviewtrackers.com/customers-give-business-review-online/>

33. D

Attitude of employees. The attitude that employees project toward customers has a significant effect on the type of relationship that businesses develop with customers. Employees who are friendly, polite, and helpful to customers help a business establish and maintain positive customer relations. On the other hand, employees who appear bored and ignore customers make a poor impression and may damage a business's relations with its customers. Location of suppliers, behavior of competitors, and condition of associates are not factors that affect a business's relations with its customers.

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

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

34. B

The resume contains misspelled words. Mistakes on job resumes often indicate to personnel directors that the applicants are careless and would continue that habit on the job. Applicants who provide error-free resumes are viewed more favorably by personnel directors and often have a better chance of finding jobs. Resumes and cover letters are often sent via email, so cover letters often do not include applicant's handwritten signature. Often, businesses want professional references rather than personal references. In many situations, references are not required until the applicant passes the initial screening process. A college degree does not ensure that the applicant will not make mistakes on the job.

SOURCE: PD:031 Prepare a resume

SOURCE: Indeed. (2025, July 26). *What makes a good job applicant? 10 traits that get noticed*. Retrieved August 19, 2025, from <https://www.indeed.com/career-advice/interviewing/what-makes-good-job-applicant>

35. C

He is being reactive instead of proactive in his quality-control practices. Being proactive means anticipating and preventing problems before they arise, rather than waiting for problems to surface and handling them afterwards. As a quality control specialist, it is Jackson's job to ensure that every room in his hotel is satisfactory and up to guest standards. He should inspect each hotel room periodically, rather than wait until he receives a complaint. The question does not provide enough information to conclude that Jackson is failing to communicate with his staff, inspect dirty rooms thoroughly enough, or trust his staff to perform their jobs well.

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: Qualityze. (2025, July 16). *Proactive vs reactive: Which approach is better to attain quality*. Retrieved August 19, 2025, from <https://www.qualityze.com/proactive-vs-reactive-approach-better-attain-quality/>

36. C

Social media post. Knowing when and how to adapt written correspondence to different audiences is a critical business communication skill. A conversational, informal tone and slang would be most appropriate in a company's social media post. A report for a CEO and an industry publication would require a formal, serious tone and potentially technical jargon—these audiences require a more professional communication style. A company-wide email would be less formal than the publication and report but would likely avoid slang.

SOURCE: CO:203 Adapt written correspondence to targeted audiences

SOURCE: AIContentfy. (2024, November 22). *The importance of writing for different audiences as a freelance writer*. Retrieved August 19, 2025, from <https://aicontentfy.com/en/blog/importance-of-writing-for-different-audiences-as-freelance-writer>

37. A

Work late to complete it on time. Working late shows that Jhenae has initiative because she is willing to work hard to accomplish her assigned work. If Jhenae leaves the work unfinished, asks for an extended deadline, or asks her teammates to help, she will show a lack of initiative by not accepting personal responsibility for completing her assignment on time.

SOURCE: EI:024 Explain the importance of demonstrating initiative

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

38. B

The people involved. Information technology involves the technological elements of a set of information (e.g., hardware, software, networks). Information systems involve the management of an entire set of information, which includes both the technological elements and the people and processes therein. Coding languages, global trends, and artificial intelligence are not related to the distinction between information technology and information systems.

SOURCE: NF:083 Explain the role of information systems

SOURCE: American Public University. (2025, January 10). *Information systems versus information technology: What to know*. Retrieved August 19, 2025, from <https://www.apu.apus.edu/area-of-study/information-technology/resources/information-systems-vs-information-technology/>

39. A

Willing to go above and beyond. By going “the extra mile” to learn new things and grow as a professional, Lia is showing that she is willing to go above and beyond to become a change leader at work. Change leaders have a sense of urgency, are independent, and are persuasive, but these are not the characteristics Lia is displaying in this situation.

SOURCE: EI:005 Lead change

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

40. D

To increase wealth. Many businesses have cash remaining after all of the expenses have been paid. As a result, they often invest these funds to increase the wealth of the business. For example, a business that invests \$5,000 in a stock that appreciates 8% in value in a year, then has an asset worth \$5,400. As the business continues to invest, its wealth continues to increase. Stock is a type of investment in which shareholders receive dividends. Businesses do not make investments to balance cash or monitor markets.

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

SOURCE: Milano, S. (2021, March 31). *Reasons why corporations invest in securities*. Retrieved August 19, 2025, from <https://smallbusiness.chron.com/reasons-corporations-invest-securities-65618.html>

41. C

Advantages of acting ethically while starting a business. Ethical decision-making has many advantages for entrepreneurs and their companies, including a decreased risk of harm to the environment, greater support from customers, and decreased risk of lawsuits. These are not necessarily examples of the benefits of hiring employees with five years of work experience or starting a limited liability company (LLC). These benefits may result from generating innovative ideas for businesses, but they are not necessarily examples of the need to generate innovative business ideas.

SOURCE: EN:044 Describe the use of business ethics in entrepreneurship

SOURCE: LAP-EN-044—Ethical Excellence (Ethics in Entrepreneurship)

42. B

Trade journal. Trade journals are a type of business magazine aimed at businesspeople interested in particular industries. Trade journals contain information about new trends, technology, and upcoming events related to specific industries. Employees read trade journals in order to keep current on developments in their industries. News magazines and daily newspapers contain information of interest to the general public. An annual report contains information about the financial condition and activities of a certain business.

SOURCE: PD:036 Utilize resources that can contribute to professional development (e.g., trade journals/periodicals, professional/trade associations, classes/seminars, trade shows, and mentors)

SOURCE: Banton, C. (2024, August 20). *Market dynamics: Definition and examples*. Retrieved August 19, 2025, from <https://www.investopedia.com/terms/m/market-dynamics.asp>

43. B

They are more easily resolved. When economic growth occurs, the government has more funds to spend on solving domestic economic problems such as poverty, lack of education, and inadequate medical services. The amount of economic growth directly affects the government's ability to deal with domestic economic problems. When growth stands still or declines, economic problems tend to become worse. Domestic problems will never be completely solved.

SOURCE: EC:017 Explain the concept of Gross Domestic Product (GDP)

SOURCE: LAP-EC-917—Measure Up? (Gross Domestic Product)

44. D

Maintaining a clean work area. Keeping aisles clear and file cabinets closed prevents accidents that occur when people trip over or bump into things. Following proper health standards, lifting objects properly, and driving safely are other types of accident prevention.

SOURCE: OP:009 Explain procedures for handling accidents

SOURCE: Birt, J. (2025, July 24). *11 benefits of maintaining a clean and orderly workplace*. Retrieved August 22, 2025, from <https://www.indeed.com/career-advice/career-development/benefits-of-functionality-in-the-workplace>

45. B

Evaluating project success builds stakeholder relationships. When you communicate with stakeholders about their levels of satisfaction with the project results, they will be appreciative that you took the time to consider their feedback, such as is the case with the focus group. They'll be more likely to want to continue working with the product development team in the future. This is not an example of how it is important to know whether a project achieved its goals. Customer feedback is generally useful when evaluating project success. Communicating professionally with customers is important, but this example is not related to that.

SOURCE: OP:521 Evaluate project success

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

46. C

Summarize why you are a good candidate for the job. A cover letter serves as a way to introduce yourself, express your interest in a job with the company, and briefly describe why you are a good candidate for the job. Job seekers should provide a list of references in a separate document. Critical information should be included in the resume rather than the cover letter. Job seekers should not indicate their availability for interviewing in a cover letter.

SOURCE: PD:030 Write a cover letter

SOURCE: Herrity, J. (2025, August 11). *How to write a cover letter (Plus tips and examples)*. Retrieved August 22, 2025, from <https://www.indeed.com/career-advice/resumes-cover-letters/how-to-write-a-cover-letter>

47. C

Adjust prices. Deciding on a product's price is not always easy. Businesses must consider many factors, some of which encourage businesses to adjust prices. For example, if a product is in great demand, businesses might increase the price because customers are willing to pay the price to obtain the product. If a product is in great demand, a business would increase inventory to increase sales. Businesses do not contact competitors about demand or prices. By gathering information, a business might learn that a product is in great demand.

SOURCE: MK:002 Describe marketing functions and related activities

SOURCE: LAP-MK-002—Work the Big Seven (Marketing Functions)

48. C

Increased worker efficiency. Workers become highly skilled at the tasks they perform because they do the same tasks repeatedly. However, worker morale may worsen because of the increased boredom of doing the same job over and over. This can result in increased absenteeism, grievances, and complaints. Worker dependency increases because workers must rely on one another to complete the final product.

SOURCE: EC:014 Analyze impact of specialization/division of labor on productivity

SOURCE: LAP-EC-014—Divide and Conquer (Specialization and Division of Labor)

49. D

More satisfied. Making a decision when facing an ethical dilemma—even if it's tough—will make you happier, more satisfied, and less conflicted. Even if your ultimate decision when facing an ethical dilemma is to do nothing, it's still important to make the decision instead of allowing the ethical dilemma to control your life. Making a decision is not likely to make you feel unhappy, anxious, or less content.

SOURCE: EI:125 Recognize and respond to ethical dilemmas

SOURCE: LAP-EI-125—Make the Right Choice (Recognizing and Responding to Ethical Dilemmas)

50. B

Summarizes expenses and revenue from sales. An income statement is a business's financial picture that lists all revenue and expenses for a certain time period. An income statement is not the same as a balance sheet. Characteristics of a balance sheet include listing assets and liabilities and showing the owner's financial position.

SOURCE: FI:094 Describe the nature of income statements

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

51. B

Reverse logistics. Reverse logistics refers to the backward movement of products through the supply chain, from customers to distributors, manufacturers, or suppliers. By developing a reverse logistics plan, Delia can help her client create a better system of product returns. Order fulfillment is the complete act of receiving, processing, and shipping a customer's order, and is not directly connected to returning products. Market segmentation is the division of a total market into smaller, more specific groups. Data mining is the process of searching, collecting, and analyzing large amounts of data to extract actionable information.

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

SOURCE: OpenText. (2019, October 7). *What is the ethical supply chain?* Retrieved August 22, 2025, from <https://blogs.opentext.com/what-is-the-ethical-supply-chain>

52. B

Flexibility. Effective plans are flexible so that changes can be made relatively easily and quickly. The business world is constantly changing—plans must be able to be adjusted accordingly. Effective plans are also relatively straightforward or simple, so that all team members are able to understand them. Finally, plans should be realistic and aligned with the organization's ultimate goals. This example demonstrates the importance of flexibility in planning, not simplicity, feasibility, or goal-alignment.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: Management Study Guide. (2025, April 3). *Characteristics of planning.* Retrieved August 22, 2025, from https://www.managementstudyguide.com/planning_characteristics.htm

53. D

Quality management frameworks. To improve quality, managers can use quality management frameworks such as Six Sigma, statistical quality control (SQC), and ISO 9000. Each framework has its own processes and best practices to help companies improve quality. Decision support systems help support the decision-making process through location and presentation of information. Performance appraisal is an evaluation of employee achievement and work. Workplace behavior refers to how people conduct themselves when in places or situations related to their employment. Six Sigma, SQC, and ISO 9000 are not related to decision support systems, performance appraisal, or workplace behavior.

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

SOURCE: Natalia, K. (2023, October 25). *Quality management frameworks: Which one should you choose?* Retrieved August 22, 2025, from <https://smartqms.com.au/quality-management-systems/quality-management-frameworks/>

54. B

Breakthrough. Continuous improvement is the ongoing practice of looking for ways to increase the levels of excellence of a process, good, or service. Breakthrough improvements often occur suddenly and result in immediate, drastic changes. The emergence of desktop computers changed the way businesses operate. Within a relatively short time, much of today's workforce now depends on desktop applications to perform their work. Incremental improvement involves carrying out small changes over time. Compliant and supplemental are not types of continuous improvement.

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

SOURCE: Lark Editorial Team. (2024, June 27). *Breakthrough improvement*. Retrieved August 22, 2025, from https://www.larksuite.com/en_us/topics/quality-management-glossary/breakthrough-improvement

55. C

Captive. A captive insurance company is one that is wholly owned by a parent company and is a form of self-insurance. The parent company is able to pay its premiums to its own captive insurer to protect the company against particular forms of risk. There are a number of reasons that a company may form its own captive insurer, many of which are focused on lowering the costs of risk management. Professional liability insurance protects businesses against claims of negligence. While it may be covered by a captive insurer, it is most often covered by a third-party insurer. Medical malpractice insurance is a form of professional liability insurance. Compulsory insurance is a term for any type of insurance that is required by law.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: Kagan, J. (2024, July 12). *What is a captive insurance company?* Retrieved August 22, 2025, from <https://www.investopedia.com/terms/c/captive-insurance-company.asp>

56. B

1.67. Price-to-cash flow is a valuation ratio calculated by dividing the stock price of a company by its cash flow per share (price-to-cash flow = current stock price / cash flow per share). The price-to-cash flow ratio of a company can be compared with its competitors to see whether the company's stock is overpriced or underpriced. To calculate the Sun Valley Corporation's price-to-cash flow ratio, first calculate the cash flow per share by dividing total cash flow by the number of shares (\$15 million / \$1 million = \$15 per share). Then, divide the stock price by the cash flow per share to calculate the corporation's price-to-cash flow ratio (\$25 / \$15 = 1.67).

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Jan, O. (2019, May 31). *Price to cash flow ratio*. Retrieved August 22, 2025, from <https://xplained.com/293746/price-to-cash-flow>

57. C

It ends a dispute before the end of a trial. Settling a case means ending a dispute before the end of a trial. Trials are expensive, but cases that reach settlement can avoid the expense of a trial while still offering some compensation for the wrong that was committed. Settlements do not take place after a trial. Even though they can sometimes speed up the process, lawyers and courtroom procedure are not necessary to reach a settlement. Both parties must agree to the settlement.

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

SOURCE: Hilotin-Lee, L. (2024, May 14). *What does it mean to settle a case?* Retrieved August 22, 2025, from <https://www.findlaw.com/litigation/legal-system/what-does-it-mean-to-settle-a-case.html>

58. B

It increases morale among workers. Organizational change management is planned organization-wide changes or alterations to a major component of the company to increase individual and organizational effectiveness. An effective organizational change can increase morale among workers and improve employees' motivation while also driving positive teamwork and job enrichment. Change at the organizational level affects all employees, not some. Organizational change is typically felt at a deeper level and for a longer period of time, not a short period of time. By improving morale among workers, effective organizational change improves the quality of work while shortening production cycles and, thus, reducing costs.

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

SOURCE: Michigan State University. (2023, April 19). *Organizational change management*. Retrieved August 22, 2025, from <https://www.michiganstateuniversityonline.com/resources/leadership/organizational-change-management/>

59. C

Collect as little data as possible. One way that businesses can prevent large-scale breaches of customer data is to collect as little data as possible. If the business only collects the data that is necessary, rather than keeping a large amount of extraneous personal information, it will be less vulnerable. Sharing data with all employees increases the risk that customer data will be compromised. Storing data indefinitely also increases the risk of a data breach. Reporting data security issues is good practice, but it will not necessarily prevent data breaches in the first place.

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

SOURCE: Podnar, K. (2017, September 13). *How to protect customer data—and your company*. Retrieved August 22, 2025, from <https://contentmarketinginstitute.com/articles/digital-integrity-matters>

60. D

Staffing. Staffing is the management function of finding workers for a business. Recruiting, interviewing, hiring, and training are staffing activities. Leading is an activity that involves influencing and motivating others to take a certain course of action. Coordinating is an organizing activity that involves bringing resources together to accomplish a goal.

SOURCE: SM:065 Describe managerial considerations in staffing

SOURCE: Chan, A. (2024, June 28). *What is staffing in management? Types, steps, and more*. Retrieved August 28, 2025, from https://www.larksuite.com/en_us/blog/staffing-in-management

61. B

Political. Risk is the possibility of loss (failure) or gain (success). There are different types of risk, including political, currency (foreign exchange), internal, external, technological, human, etc. Political risk, a major international risk for businesses, occurs when a country's government changes its policies, such as by enacting trade barriers or requesting additional funds to export items in the country. This is not an example of currency, internal, or technological risk.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Beers, B. (2025, January 10). *Top risks for international businesses*. Retrieved August 22, 2025, from <https://www.investopedia.com/ask/answers/06/internationalfinancerisks.asp>

62. D

Depreciation and amortization. Earnings before interest, taxes, depreciation, and amortization (EBITDA) measures a company's overall financial performance and profitability. To calculate EBITDA, Ahmed must take information from both the income statement and the cash flow statement. Information on the income statement that he needs includes earnings, tax, and interest. He can find the depreciation and amortization figures on the cash flow statement or in the notes to operating profit.

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Hayes, A. (2024, September 6). *EBITDA: Meaning, formula, and history*. Retrieved August 22, 2025, from <https://www.investopedia.com/terms/e/ebitda.asp>

63. B

Increased efficiency. By reducing human error and improving overall performance, the use of technology in supply chain management often results in increased efficiency. The use of technology in supply chain management does not necessarily result in improved budgeting. Technology generally increases efficiency and reduces human error.

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

SOURCE: Dupre Logistics. (2022, July 25). *The impact of technology on supply chain management*. Retrieved August 22, 2025, from <https://www.duprelogistics.com/blog/the-impact-of-technology-on-supply-chain-management/>

64. D

Accountability and compliance. It is important for companies to consider safety regulations, child labor laws, and fair compensation practices before becoming involved in a global supply chain. Language barriers, time zone differences, and delivery and shipping delays are also important issues involved in global supply chain management; however, they are not described in this situation.

SOURCE: OP:480 Discuss global supply chain issues

SOURCE: Jenkins, A. (2024, February 1). *15 key supply chain challenges to overcome*. Retrieved August 22, 2025, from <https://www.netsuite.com/portal/resource/articles/erp/supply-chain-challenges.shtml>

65. B

Making an inventory of digital information. Making an inventory of digital information is an effective way to protect a company's sensitive data. Keeping track of where digital information is stored can help a company access that data in the case of a data breach or other security emergency. Keeping an inventory can also help a company become aware of any security weaknesses that may lead to data theft or misuse. Allowing employees to bring their own devices to work is risky because of the potential for data to be lost or stolen on noncompany devices. Backing up key data is crucial—but once per year is not enough. Information backups should occur frequently to ensure that no data are lost. It's not a wise idea to allow employees to access any company data that they want. Sensitive information should be protected and only accessible to relevant managers and company leaders.

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

SOURCE: Murray, J. (2020, July 21). *How to protect your company's digital assets*. Retrieved August 22, 2025, from <https://www.thebalancemoney.com/how-to-protect-company-digital-assets-4153375>

66. D

A goal. Businesses use process thinking to define and develop a system to accomplish a specific goal or task. Every process should have a goal, and its outputs should be measured against that goal. Each individual process should also support the overall goals of an organization. A process doesn't have a specific deadline, since it is a technique used to achieve goals and meet deadlines. Each business process should have a single owner who is responsible for the output and functionality of the process. A business process should have a clearly defined, limited scope.

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

SOURCE: Kothari, K. (2025, May 25). *Importance of process thinking in business management*. Retrieved August 22, 2025, from <https://tallyfy.com/process-thinking/>

67. C

Observation. Observation involves obtaining information by watching others perform a task or activity. A business can obtain knowledge about work-task processes by observing employees performing their jobs. The manager is not rationalizing or imitating the employee's behavior. There is not sufficient information provided to determine if the manager is asking questions or interrogating the employee.

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

SOURCE: Smith, C. (2012-2025). *What is knowledge management? Including examples and use cases*. Retrieved August 25, 2025, from <https://www.neovation.com/learn/95-what-is-knowledge-management>

68. B

Purpose of the study. A research report is a written document that summarizes an investigation related to a particular issue or problem. A research report contains many elements. The purpose of the study states why the topic at hand is being investigated. The purpose of the study should be described in the report's introduction, which is at the beginning of the report. Stating the purpose of the study is important because it lets readers know what they are reading and why. Proposed solutions to a problem (recommendations) are addressed near the end of the document after the research has been presented. The appendices are segments that include supporting information, and are added to the end of a document. The bibliography contains the list of resources from which the writer obtained information for the report. The bibliography is generally placed at the end of the research report—after the recommendations section and before the appendices.

SOURCE: CO:186 Write research reports

SOURCE: Ellis, S. (2024, August 12). *Research reports*. Retrieved August 22, 2025, from <https://students.unimelb.edu.au/academic-skills/resources/reading.-writing-and-referencing/reports/research-reports>

69. B

Project schedule network diagram. A project schedule network diagram shows activities and relationships. It is the best method for demonstrating the relationships among activities in a project. A bar chart is a depiction of activities, dates, and durations using vertical and horizontal axes. It does not necessarily show the logical relationships among the activities. A milestone chart is similar to a bar chart, but only shows the start or completion of major deliverables. Again, it does not show the relationships among activities. A project calendar is a tool that identifies working days and shifts that are available for scheduled activities. It is not the best option for showing the relationships among project activities.

SOURCE: PJ:010 Manage project schedule

SOURCE: Holohan, R. (2025). *6 steps to successful schedules*. Retrieved August 22, 2025, from <https://www.projectsart.co.uk/scheduling/6-steps-to-successful-schedules.php>

70. C

Buy steel in bulk and hold raw materials. One of the benefits of holding raw materials inventory is to get the best price for raw materials. If a rise in prices is expected, a company should purchase the raw materials in bulk to save money. While avoiding inventory carrying costs is a good strategy, it might not be worth it if the price of the raw materials is continuing to rise. Cyclical demand is not necessarily related to this issue. Finally, purchasing steel from a foreign vendor will not necessarily help with the rising price of steel.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Parker, J. (2024, June 17). *10 primary reasons for holding inventory*. Retrieved August 22, 2025, from <https://www.fishbowlinventory.com/blog/what-are-the-primary-reasons-for-holding-inventory>

71. C

Conformance. In the business world, quality often refers to excellence, value, satisfaction, and conformance. Conforming to predetermined specifications is an aspect of quality that has plenty of examples in the manufacturing industry. Let's say a manufacturer is producing glass bottles. Each bottle should be a certain size and shape and should have no rough edges. If a bottle does not meet these specifications, it isn't a quality product. Businesses strive to keep these variations or defects to a minimum, keeping the overall quality of their production output as high as possible. Quality does not typically refer to empathy, technology, or quantity.

SOURCE: QM:001 Explain the nature of quality management

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

72. C

Managerial control. One part of the controlling function involves measuring the performance of the business to determine if it is achieving the established objectives. One type of performance measurement involves measuring the productivity of employees. Managers often establish standards that employees are expected to meet, such as number of items produced per hour or the quality of the items produced. Then, managers use these controls to determine if employees are performing as expected. Formal authority is the authority and responsibility officially assigned to an individual who holds a position or a title on an organizational chart. Leadership style is the way or manner in which a leader goes about the task of influencing others. Positional analysis is a study of the tasks and responsibilities of a position and its place in an organization.

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

SOURCE: Insight and Innovation. (2022, January 23). *Managerial control: The deciding factor in business*. Retrieved August 22, 2025, from <https://insightandinnovation.com/managerial-control-the-deciding-factor-in-business/>

73. B

Define what needs to be accomplished. A project charter is a document completed at the beginning of a project that lays the foundation of the project. It includes defining what needs to be accomplished during the course of the project. However, the project charter generally does not get into the detail of scheduling key deadlines and breaking down work into smaller activities. Those would be determined after as a part of the project planning process. Documenting what went well during a project happens after a project has been completed, whereas a project charter is created during the initiation phase.

SOURCE: PJ:005 Initiate project

SOURCE: Gillis, A.S. (2025, April 14). *What is a project charter? Definition and examples*. Retrieved August 22, 2025, from <https://www.techtarget.com/searchcio/definition/project-charter>

74. D

Investigating the complaint. When a lawyer is first contacted about a potential lawsuit, they must investigate whether the complaint is worth a lawsuit. This might involve doing research, hiring investigators, or interviewing people involved. Investigating the complaint must occur before anyone appears in court, files a motion to dismiss, or appeals the decision.

SOURCE: BL:160 Describe the litigation process

SOURCE: Murray, J. (2019, October 17). *The litigation process for businesses and individuals*. Retrieved August 22, 2025, from <https://www.thebalancesmb.com/litigation-and-business-disputes-398330>

75. B

Facilitate ongoing communication. Tools like email, forums, newsletters, and instant messaging are useful in keeping communication lines open to facilitate knowledge management because they allow for continuous and fast communication. These tools do not eliminate the need for customer input and instead often interpret and use this input. With these tools, communication between departments is increased as they work together to put gathered knowledge to good use. Because of the convenience of these communication tools, messaging is streamlined and repetition and redundancy are decreased.

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

SOURCE: ClickHelp. (2025, April 29). *The secret formula: People, process, technology in knowledge management*. Retrieved August 25, 2025, from <https://clickhelp.com/clickhelp-technical-writing-blog/people-process-technology-in-knowledge-management/>

76. B

Explicit knowledge. Explicit knowledge is knowledge or information consisting of words, numbers, codes, processes, and formulas that are easily stored, shared, and quantified (measured). The president of the company was communicating specific, measurable, numerical data. Tacit knowledge is knowledge consisting of personal opinions, experiences, expertise, or understanding that is not easily articulated, stored, or quantified. Speculation is hearsay or rumor.

SOURCE: KM:001 Explain the nature of knowledge management

SOURCE: Indeed. (2025, July 24). *What is explicit knowledge? Definition and examples*. Retrieved August 22, 2025, from <https://www.indeed.com/career-advice/career-development/explicit-knowledge>

77. B

Controlling costs. Controlling costs is the top priority of many supply chain managers. In fact, some might argue that controlling costs is the driving force of supply chain management. It is also likely the area where supply chain managers have the most control. Controlling costs has many secondary benefits as well, such as creating value, contributing to profit maximization, and aiding in organizational stability. Developing overseas markets and producing an appealing corporate image are unlikely to be the direct results of supply chain management. Gaining leverage in negotiations is a possible outcome for supply chain managers but is not likely to be a top priority and will not apply to all supply chain managers.

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

SOURCE: Milian, B. (2022, December 5). *How to manage supply chain planning priorities*. Retrieved August 22, 2025, from <https://demanddriventech.com/blog/managing-supply-chain-priorities/>

78. A

Low efficiency. Tacit knowledge is knowledge consisting of personal opinions, experiences, expertise, or understanding that is not easily articulated, stored, or quantified. Tacit knowledge is often acquired by trial and error, which occurs by repeating tasks and activities over time. When an employee devises effective shortcuts or techniques that increase personal productivity, the employee has tacit knowledge. When employees are unwilling to share tacit knowledge that will improve efficiency levels, it takes longer for the company to achieve its goals. Employees who share tacit knowledge may improve the business's efficiency and create a more open and cohesive work environment, which will reduce the competitiveness among employees.

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

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

79. C

Identifying. You cannot manage a risk if you do not know what it is. The first step in successfully managing project risks is identifying them. This involves brainstorming with your team and collecting information. Risk management also includes analyzing, responding to, and monitoring project risks, but these steps come after the initial risk identification.

SOURCE: PJ:009 Execute and control projects

SOURCE: Schwartz, B. (2025, March 24). *The risk management process in project management*. Retrieved August 22, 2025, from <https://www.projectmanager.com/blog/risk-management-process-steps>

80. B

Concession. A concession is something that one party gives up during a negotiation. In many situations, one party will give up something that it wants and use it (the concession) as leverage to get something else that it wants later in the negotiation process. Withdrawal is a conflict response mode in which one or both parties exhibit passive behavior and express a low level of cooperation. A plea is a request. A position is what someone believes about an idea or issue.

SOURCE: OP:337 Negotiate terms with vendors in business

SOURCE: Kenton, W. (2024, May 10). *Concession agreement: What it is and how it works*. Retrieved August 22, 2025, from <https://www.investopedia.com/terms/c/concessionagreement.asp>

81. C

Change-management. The change-management approach ensures that changes are implemented in the best possible way and that those changes will lead to long-term benefits. Change management is not referred to as problem-solving, change avoidance, or solution finding.

SOURCE: SM:095 Explain the nature of change management

SOURCE: Miranda, D. (2022, August 7). *The four principles of change management*. Retrieved August 22, 2025, from <https://www.forbes.com/advisor/business/principles-of-change-management/>

82. B

Cost-effectiveness and efficiency. Mediation is an informal process during which two parties meet with an impartial third party to find a mutually satisfactory solution to a problem. A benefit of mediation is that it is cost-effective and efficient, especially compared to going to trial. Mediation does not lead to higher payouts for the defendant. Mediation cannot impose a legally binding decision, so it does not carry more weight. Finally, while there is a third-party mediator, that person does not make decisions. Instead, they help guide the negotiation process while the two parties come to a decision on their own.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: Purdue Global Law School. (2025, April 10). *Arbitration vs. mediation: What's the difference?* Retrieved August 22, 2025, from <https://www.purduegloballawschool.edu/blog/news/arbitration-vs-mediation>

83. C

Businesses often reduce the risk of financial loss by providing ethics training for their employees. Because employees' personal ethics often differ from their employers' ethics policies, it is important for businesses to provide ongoing ethics training for all employees. If an employee does something unethical (intentionally or unintentionally), the business may be liable for the employee's actions, which may involve financial losses. Effective risk management involves monitoring many business activities including investments, product quality, sales processes, etc. Risk can be controlled and reduced, but it cannot be eliminated.

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

SOURCE: Disparte, D. (2025, August 5). *10 ethics rules for better risk management*. Retrieved August 22, 2025, from <https://riskcooperative.com/10-ethics-rules-for-better-risk-management/>

84. C

A cash flow statement is derived from the income statement and the balance sheet. When calculating cash flow, companies use income statements and balance sheets to observe how cash is flowing in and out of the company. A negative cash flow does not typically indicate that a company is financially healthy and stable. Generally, a negative cash flow is indicative of financial struggles. Therefore, investors are not likely to be happy if a company doesn't have much cash available for business operations. A positive cash flow indicates that a company is financially healthy and stable—not unhealthy.

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Thompson, C. (2025, April 25). *Cash flow statements: How to prepare and read one*. Retrieved August 22, 2025, from <https://www.investopedia.com/investing/what-is-a-cash-flow-statement>

85. B

Supply chain. Supply chain management is a career area in which employees supervise the complete process of getting products in the marketplace. Risk management is a business activity that involves the planning, controlling, preventing, and limiting of business losses and enhancing the possibilities for gain. Delivery is part of supply chain management. Quality management is the ongoing process of planning, implementing, and integrating quality into every aspect of an organization.

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

SOURCE: IBM. (2022, July 12). *What is supply chain management?* Retrieved August 22, 2025, from <https://www.ibm.com/think/topics/supply-chain-management>

86. A

Conducting a sales analysis. Businesses collect information to analyze all of their business functions. Sales are typically a business's primary source of income. Businesses review many aspects of sales to analyze and compare product movement, customer activity, salesperson performance, etc. Claire is not preparing a purchasing forecast, organizing an inventory report, or analyzing service performance.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: Nielsen, L. (2022, March 15). *Define sales analysis*. Retrieved August 22, 2025, from <https://smallbusiness.chron.com/define-sales-analysis-5258.html>

87. A

Must be commercially valuable. Trade secrets are intellectual property rights or confidential information that can be sold or licensed. For information to qualify as a trade secret, the information must be commercially valuable and be known by only a limited group of persons, rather than a large group of people. In addition, the information must be subject to reasonable steps taken by the rightful holder of the information to keep it secret, including the use of confidentiality agreements.

SOURCE: KM:004 Explain legal considerations for knowledge management

SOURCE: United States Patent and Trademark Office. (2025, June 16). *Trade secrets / regulatory data protection*. Retrieved August 22, 2025, from <https://www.uspto.gov/ip-policy/trade-secret-policy>

88. A

Human resources management. Human resources management is the process of planning, staffing, leading, and organizing the employees of the business. Helping the company achieve its goals through the proper hiring and use of employees is one common human resources management job duty. This is not a job duty for employees in supply chain management, operations management, or business analytics.

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

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

89. A

Decomposition. A work breakdown structure (WBS) divides project tasks into small, meaningful components to complete the project. Dividing the entire project into smaller components helps the project manager identify tasks and effectively schedule, assign, and monitor complex project activities. Decomposition is the process of breaking down the work into smaller components. Procurement is the process of obtaining something such as purchasing goods and services for business purposes. The feasibility of carrying out the project is determined before the work breakdown structure is developed. The project manager may analyze the flow of communication during the closing phase of the project and include this information in the lessons-learned document.

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

SOURCE: Indeed. (2025, July 24). *What is project decomposition? (Plus benefits and tips)*. Retrieved August 25, 2025, from <https://www.indeed.com/career-advice/career-development/decomposition-project-management>

90. B

Lessons learned document. Developed during the closing phase of the project, the lessons learned document summarizes the project's successes and failures. The document also includes suggestions for improvement for similar projects in the future, such as the need for additional training and ongoing technical support. An executive summary is an overview of a report or plan. A termination checklist is a list of tasks that need to be done during the closing phase of a project. An expense audit involves reviewing and evaluating various project expenses.

SOURCE: PJ:008 Close project

SOURCE: Indeed. (2025, July 25). *What is a project lessons learned document? (With steps, example)*. Retrieved August 25, 2025, from <https://www.indeed.com/career-advice/career-development/lessons-learned-template>

91. A

Organizations identify and communicate the need for change to employees. The first stage of the change management life cycle involves realizing the need for change and explaining this to employees in an understandable manner. Engaging in dialogue to determine how to best implement change, agreeing on a strategic plan for implementing the desired change, and carrying out a strategic plan for implementing desired change are all actions taken in subsequent stages of the change management life cycle.

SOURCE: SM:096 Explain the change-management lifecycle

SOURCE: Miller, K. (2020, March 19). *5 steps in the change management process*. Retrieved August 25, 2025, from <https://online.hbs.edu/blog/post/change-management-process>

92. B

The Powell Company did not order enough paper towels for the month, so it ordered an additional four cases. A reorder involves ordering items that the company has previously ordered. The Powell Company placed a reorder because it submitted a second order for the same product (paper towels) to its vendor. A backorder occurs when a vendor ships part of an order on time and the rest of the order later when the stock is available. Mr. and Mrs. Travis placed a special order, which is a request for a custom item that a vendor does not normally carry in stock. Henry's Hardware Store placed a regular order, which involves providing the vendor with the specifications of items that the business wants to order.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Indeed. (2025, June 6). *How to calculate reorder level (with steps and example)*. Retrieved August 25, 2025, from <https://www.indeed.com/career-advice/career-development/reorder-level>

93. B

Transportation. Supply chain network design aligns purchasing, production, warehousing, inventory, and transportation. Supply chain network design does not incorporate marketing, promotion, or the sales force.

SOURCE: OP:479 Describe supply chain networks

SOURCE: Bansal, A. (2024, March 8). *What is supply chain network design - Implementation process & best practices*. Retrieved August 25, 2025, from <https://www.aimms.com/story/what-is-supply-chain-network-design-process-best-practices/>

94. B

Recognized. The first phase of the knowledge management process is discovery and detection, during which knowledge is recognized and categorized. Knowledge must be recognized before it can be embedded, analyzed, or manipulated.

SOURCE: KM:018 Apply knowledge management processes

SOURCE: Hajric, E. (2023, August 4). *Knowledge discovery and detection*. Retrieved August 25, 2025, from <https://knowledge-management-tools.net/knowledge-discovery-and-detection>

95. D

Cost assignment and tracking. There are many project-management software programs available with a variety of capabilities to accommodate different types of projects. A business that is working on a complex project may want to use a cost assignment and tracking function program, which calculates and tracks accounting information. The cost assignment and tracking function is beneficial when the project consists of several hundred activities and resources. The resource scheduling and leveling function efficiently facilitates the scheduling of materials, equipment, and personnel. The leveling function, which relates to the resource scheduling function, helps project managers manage workloads, process bottlenecks, etc. Task delegation can be documented and tracked in a variety of ways, including Gantt charts. Programs that contain scheduling and operations capabilities may or may not include accounting applications.

SOURCE: NF:130 Utilize project-management software

SOURCE: Landau, P. (2025, June 30). *Project cost tracking: Process, tools, and best practices*. Retrieved August 25, 2025, from <https://www.projectmanager.com/blog/cost-tracking-project-management>

96. C

Risk management. If a company wants to be notified of security breaches, it should invest in risk management software. Word-processing and presentation software would not help with this. Threat prediction software is not a common name for risk management software.

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

SOURCE: Sakovich, N. (2025, July 15). *Risk management software: A comprehensive guide for business leaders*. Retrieved August 25, 2025, from <https://sam-solutions.com/blog/risk-managment-software/>

97. D

Project managers are often responsible for coordinating the activities of team members from several departments. Many types of projects require the input and skills of team members from different departments—finance, legal, production, research and development, etc. When managing cross-functional project teams, the project manager must understand each team member's role in the project so they can effectively coordinate all of the activities that need to be completed for the project. Although the project manager may be responsible for developing a budget for the project, the operations manager is usually responsible for developing the business's operating budget. Because team members have different experiences, skills, and perceptions, project managers may, in some situations, need to intervene and help resolve conflicts. Although financial-management expertise may be important, project managers must have effective communication skills in order to guide the team members' activities and help them to resolve problems and conflicts.

SOURCE: PJ:007 Manage project team

SOURCE: Kissflow. (2025, February 26). *10 dynamic strategies for managing a project team*. Retrieved August 25, 2025, from <https://kissflow.com/project/project-team-management/>

98. B

Productivity. The company is concerned with the time required to handle customer requests, so the change is made to improve productivity. In the situation described there is no indication that quality of service or customer experience is impacted by the employee's unfamiliarity with procedures. There's no indication that the situation requires the management of risk.

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

SOURCE: Spacey, J. (2018 January 19). *9 examples of business process improvement*. Retrieved August 25, 2025, from <https://simplicable.com/new/business-process-improvement>

99. B

Structure. The organizing function of management focuses on setting up the way the business's work will be done. Organizing provides the business with structure—a systematic, orderly way for carrying out activities to accomplish the business's goals. Insight can help managers develop the best structure for the business. Leverage refers to the amount of power one person holds during a negotiation. Motivation is directing activity.

SOURCE: SM:064 Explain managerial considerations in organizing

SOURCE: Indeed. (2025, July 26). *What are the four functions of management?* Retrieved August 25, 2025, from <https://www.indeed.com/career-advice/career-development/what-are-the-four-functions-of-management>

100. D

It helps employees coordinate their work. Directing is a management function that brings many benefits to organizations. One is that managers direct employees so that their work and effort is coordinated. Without direction, employees tend to work in isolation, leading to duplication of tasks and less efficiency. Directing does not necessarily ensure that everyone knows what their role is; this benefit is more directly related to organizing. Directing does not necessarily determine company goals; this benefit is more directly related to the planning function. Finally, directing does not necessarily allow managers to check progress; this benefit is more closely associated with the controlling function.

SOURCE: SM:066 Discuss managerial considerations in directing

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