



SAMPLE EXAM

HOSPITALITY + TOURISM CAREER CLUSTER

THE HOSPITALITY AND TOURISM CAREER CLUSTER EXAM IS USED FOR THE FOLLOWING EVENTS:

HOTEL AND LODGING

RESTAURANT AND FOOD SERVICE MANAGEMENT

TRAVEL AND TOURISM

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

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1. Which of the following is necessary to the actual production of goods and services:
 - A. Fiscal control
 - B. Capital resources
 - C. Consumers
 - D. Utility
2. Which of the following is a reason why businesses track their operating costs:
 - A. To estimate property value
 - B. To develop commission rates
 - C. To calculate inventory needs
 - D. To determine selling price
3. Sierra is decorating the kitchen in her new apartment. To do this, she determines that she needs to purchase towels, pick out a paint color for the wall, and organize her utensils. Sierra is
 - A. breaking down the work.
 - B. defining the project scope.
 - C. planning communications.
 - D. developing a draft plan.
4. Businesses can encourage customer communication by
 - A. routing calls to an answering service.
 - B. advertising.
 - C. offering incentives.
 - D. restricting business hours.
5. After only her seventh month in business, Martha realized that her new business venture was paying off, and she would be taking home a \$1,000 profit for the month. Finally, she could reap the financial rewards of being the boss. This is an advantage of what type of business ownership?
 - A. Partnership
 - B. Corporation
 - C. Merger
 - D. Sole proprietorship
6. When organizing an oral presentation, you use chronological order to
 - A. describe a problem and a plan for solving it.
 - B. put items in time sequence.
 - C. arrange material into related subcategories.
 - D. emphasize the relationship between events.
7. Celeste has put a large sum of money into a bank account that has a set interest rate. Celeste will not be able to access the money for a specific period of time. Celeste has invested her money in a
 - A. fidelity bond.
 - B. savings account.
 - C. money market account.
 - D. certificate of deposit.

8. What kind of risk is a flood that causes a business to close for three weeks?
 - A. Financial
 - B. Operational
 - C. Pure
 - D. Speculative
9. Some people believe that all creativity is
 - A. problem solving.
 - B. intelligence.
 - C. open-mindedness.
 - D. verbal skill.
10. What is the first step you should take when planning for your retirement?
 - A. Understand investment options.
 - B. Determine your retirement income needs.
 - C. Figure out how much you need to save.
 - D. Pick the right savings tools.
11. A national association for professional salespeople requires its members to pledge to compete fairly and honorably. This requirement relates to which of the following benefits of organization membership:
 - A. Group services
 - B. Establishment of standards
 - C. Sales promotion events
 - D. Expanded business contacts
12. The possibility that a project team member might leave during the course of a project is an example of a
 - A. governance mechanism.
 - B. risk.
 - C. lesson learned.
 - D. control.
13. Which of the following is an example of a database system:
 - A. A chart reflecting sales revenue
 - B. A marketing report
 - C. A library catalog
 - D. Scheduling software
14. Which principle of organizational design states that authority should flow in a clear, unbroken line from the top of an organization to the bottom?
 - A. Responsibility
 - B. Span of control
 - C. Staff authority
 - D. Scalar principle

15. Zane is feeling overwhelmed about his stressful job. Which action should he take to manage his stress?
- A. Talk through the situation with a friend or coworker.
 - B. Skip work often so that he has time to relax.
 - C. Take on a greater amount of work.
 - D. Create an employee survey for his coworkers.
16. At the end of the 1990s in the United States, interest rates fell, consumers began buying new and bigger homes, and businesses were investing more money in capital goods. This period of time in a business cycle is known as
- A. expansion.
 - B. peak.
 - C. trough.
 - D. contraction.
17. One way a company can reinforce its image is by
- A. developing a financial plan.
 - B. training its employees.
 - C. identifying economic resources.
 - D. conducting a competitive analysis.
18. Which of the following is a legal concept that affects businesses operating in foreign countries:
- A. Absolute privilege
 - B. Sovereign immunity
 - C. Eminent domain
 - D. Social responsibility
19. A project's quality-management plan includes strategies to ensure the quality of the deliverables as well as the quality of
- A. the project's purpose.
 - B. the project itself.
 - C. organizational investors.
 - D. employee education.
20. When creating an outline, the information in the first heading should have the same significance as the information in the second heading. This best describes what component of creating an effective outline?
- A. Subordination
 - B. Division
 - C. Coordination
 - D. Parallelism
21. Ginny is an accountant. Her husband owns a good deal of stock in GRR Enterprises. Why could it be unethical for Ginny to audit GRR's financial statements?
- A. Ginny has a conflict of interest.
 - B. Ginny's husband works for GRR.
 - C. GRR needs to avoid due care.
 - D. A tax accountant should audit GRR.

22. An example of a capital good is
- A. a pine forest.
 - B. a computer operator.
 - C. iron ore.
 - D. office equipment.
23. When consumers attempt to obtain maximum satisfaction from limited resources, they are
- A. determining needs.
 - B. economizing.
 - C. producing.
 - D. utilizing resources.
24. High or unexpected inflation can have negative effects on the economy, such as
- A. preventing shortages of consumer goods.
 - B. discouraging consumers from saving or investing.
 - C. increasing overall consumer spending.
 - D. improving the standard of living for low-income individuals.
25. An ongoing trend that affects how efficiently businesses operate is
- A. stable economic conditions.
 - B. predictable buying motives.
 - C. product classification methods.
 - D. technology improvements.
26. Which of the following is a source of cash that flows into a business:
- A. Rent
 - B. Payroll
 - C. Loans
 - D. Taxes
27. Many hotel chains offer special perks and benefits to guests who join their loyalty programs. In exchange for these special deals and discounts, customers agree to let the hotels collect their contact information and track their
- A. employment history and monthly income.
 - B. preferred distribution channels.
 - C. purchasing behavior and preferences.
 - D. feasibility study results.
28. When a guest makes guaranteed reservations with a credit card, how is an authorization check applied to the card?
- A. A hold is placed on a portion of the card's available credit line when the guest checks in.
 - B. A hold is placed on a portion of the card's available credit line when the reservation is made.
 - C. The card is charged with the full room rate when the guest checks in.
 - D. The card is charged with the full room rate when the reservation is made.

29. Which of the following is a way in which tourism can positively contribute to the economic development of a small town that is a tourist destination:
- A. More unemployment
 - B. Limited business opportunities
 - C. Better access to roads
 - D. Fewer hotels and restaurants
30. Tyrone is a finance manager at a hospitality management company. He is preparing a PowerPoint presentation for a meeting next week. Which of the following suggestions should he follow when designing his presentation:
- A. Use at least 30 words per slide.
 - B. Use at least five visuals per slide.
 - C. Include as much information as possible.
 - D. Keep the slides simple.
31. Which of the following is a technique that a salesperson can use to reaffirm the buyer-seller relationship:
- A. Develop a scripted sales presentation
 - B. Follow up with the customer to ensure satisfaction
 - C. Handle the customer's objections quickly
 - D. Put the customer at ease by being objective
32. Good service is especially important in the hospitality and tourism industry because success relies upon
- A. high-end products.
 - B. smart sales strategies.
 - C. networking efforts.
 - D. return customers.
33. Rita is upset with her employer because she always has to work during important holidays she and her family celebrate. This is an issue most likely associated with which type of workplace diversity?
- A. Gender
 - B. Age
 - C. Disability
 - D. Religion
34. A business is transitioning all its customer records to a digital format. When it gets rid of the old paper records, it should shred the documents to prevent
- A. loss of market share.
 - B. hacking.
 - C. data inaccuracy.
 - D. identity theft.
35. The Coleman Company sells its own brand of tents, coolers, grills, and sleeping bags. This is an example of
- A. monopolizing the outdoor market.
 - B. upselling.
 - C. product positioning.
 - D. product extensions.

36. Businesses can help protect customers from credit card fraud by requesting customers who pay with credit cards to
- A. discard credit receipts on site.
 - B. present an ID with their card.
 - C. pay with cash instead.
 - D. pay an additional fee.
37. Which of the following is an advantage of promotion:
- A. Promotion encourages a lower standard of living.
 - B. Promotion supports mass media.
 - C. Promotion can create and reinforce stereotypes.
 - D. Promotions are sometimes deceptive.
38. A salesperson for a company that advertised "no finance charges for six months" could use this information
- A. to reduce prices.
 - B. to pressure customers.
 - C. for personal gain.
 - D. as a selling point.
39. Tracking invoices can help businesses
- A. market their products.
 - B. identify billing errors.
 - C. evaluate their vendors' performance.
 - D. increase their cash on hand.
40. Salespeople who strive to provide superior service are more likely to
- A. meet challenging operating quotas.
 - B. build long-lasting customer relationships.
 - C. earn the respect of their competitors.
 - D. develop long-term contracts with vendors.
41. A customer approached Jenna with a long-winded complaint. While they were voicing their concerns, Jenna glanced at a missed call on her phone. When the customer was finished with her complaint, Jenna quickly offered several suggestions. The customer, however, was not pleased and told Jenna that none of her suggested solutions fixed the problem. Jenna's customer service was likely lacking
- A. empathy.
 - B. dependability.
 - C. timeliness.
 - D. active listening.
42. When preparing the property's marketing plan, Samantha researched the current, popular travel destinations, the ways in which visitors spend their money, the duration of their vacations, and their demographics. These are examples of _____ trends.
- A. industry
 - B. technology
 - C. competitive
 - D. visitor

43. Paul's Steakhouse is having a grand opening to introduce its new menu and will give the first 100 customers a 25% discount. The discount is an example of
- A. sales promotion.
 - B. visual merchandising.
 - C. personal selling.
 - D. public relations.
44. Which of the following is a way in which a business can improve its decision-making:
- A. Avoiding conducting research on the competition
 - B. Getting sign-off from half of its stakeholders
 - C. Revisiting its decisions after the outcomes
 - D. Capturing metrics that only show successes
45. A quick-serve restaurant claims that one of its core values is fresh ingredients. Which of the following actions would back up the restaurant's claims:
- A. Purchasing frozen ingredients for certain meals
 - B. Offering day-old food at a discounted price
 - C. Reusing yesterday's leftover ingredients
 - D. Discarding any ingredients over one-day old
46. The Loft Villa resort received a positive review on social media from a customer. What should the resort do to enhance the customer's experience further?
- A. Search for customer trends
 - B. Respond quickly and apologetically
 - C. Post frequently to capitalize on the opportunity
 - D. Offer a discount on the customer's next stay
47. A hotel chain is promoting its new holiday deals through targeted promotional content based on customers' physical location. The hotel chain is using
- A. geolocation.
 - B. voice marketing.
 - C. just-in-time.
 - D. QR codes.
48. To celebrate their 10th wedding anniversary in February, a husband and wife are planning a trip to a tropical island so that they can relax and get away from the hassles of everyday life. What motives are they satisfying?
- A. Self-actualization
 - B. Physiological
 - C. Safety and security
 - D. Self-esteem
49. Tanner is sending out an online customer satisfaction survey. What technique can he use to ensure he is protecting customer data?
- A. House the data on portable drives
 - B. Store the data for any future use
 - C. Only ask for the information he needs the most
 - D. Refrain from sharing the nature of the survey

50. What software do hotels, resorts, and various transportation entities use to expedite the reservation process for customers?
- A. Customer reservation systems
 - B. Websites
 - C. Online booking
 - D. Customer relationship management
51. Businesses benefit from repeat sales to consumers who have brand
- A. experience.
 - B. loyalty.
 - C. resistance.
 - D. objections.
52. Benefits to the sales staff from building a clientele include
- A. reduced costs and personal satisfaction.
 - B. repeat sales and increased earnings.
 - C. increased sales volume and expenses.
 - D. increased knowledge and word-of-mouth advertising.
53. A restaurant experiences peaks in demand during the holiday season. What can the restaurant do to prepare for the peak season?
- A. Prioritize speed over quality
 - B. Prioritize inflexibility
 - C. Hire seasonal staff
 - D. Increase prices
54. A serious accident occurred on Putnam Chemical Company's production line. A Putnam employee questioned the employees who were working during the accident to gather information about the situation. The company plans to use the gathered knowledge to determine the cause of the accident and to develop an action plan to prevent similar problems in the future. What technique did the company use to capture knowledge?
- A. Critical incident interview
 - B. Employee performance review
 - C. Brainstorming survey
 - D. Creative problem solving
55. A hotel's general manager tells the IT director that they want to learn about recent technological changes in the industry. The IT director should
- A. make a recommendation presentation.
 - B. purchase new software.
 - C. present analytical data.
 - D. write an exploratory report.

56. A customer presents a quick-serve restaurant employee with a 20% discount coupon for the customer's total food order of \$17.50. What is the amount the customer pays with the discount?
- A. \$13.50
 - B. \$14.25
 - C. \$15.75
 - D. \$14.00
57. Which of the following is an element of the planning function of management:
- A. Assessing performance
 - B. Training employees
 - C. Setting goals
 - D. Monitoring work
58. Which of the following is a right every hotel guest has during their stay:
- A. Free breakfast
 - B. Swimming pool
 - C. Clean and sanitary conditions
 - D. Complementary snacks
59. A proofreader making sure every word in a document is spelled correctly is an example of quality management at which of the following levels:
- A. Job/Performance
 - B. Executive
 - C. Departmental
 - D. Managerial
60. Increased sales help businesses make a profit that often enables them to
- A. expand their operations.
 - B. plan their operations.
 - C. manage their employees.
 - D. overcome customer objections.
61. If a customer becomes angry, what can an employee do to resolve the conflict?
- A. Match their interactions to that of the customer
 - B. Remain calm and listen closely to the customer
 - C. Interrupt the customer to correct them
 - D. Avoid making eye contact with the customer
62. One of the reasons why businesses establish cash-control procedures is to
- A. prevent loss.
 - B. estimate income.
 - C. monitor debt.
 - D. reduce depreciation.

63. Idea generation, prototype development, and test marketing are activities associated with which marketing function?
- A. Marketing-information management
 - B. Risk management
 - C. Product life cycle
 - D. Product/Service management
64. Which of the following is a benefit technology can have on the hospitality and tourism industry:
- A. Increased efficiency
 - B. Higher workload
 - C. More complicated processes
 - D. Less self-service
65. A company that reevaluates a brand's characteristics, quality, and benefits in order to change the image of the brand is _____ the brand.
- A. licensing
 - B. repositioning
 - C. positioning
 - D. extending
66. Which of the following are items that a manufacturing business is likely to keep as maintenance, repair, and operating (MRO) inventory:
- A. Toner, photocopier, and pencils
 - B. Gloves, coolant, and packing material
 - C. Fork lift, glassware, and petroleum
 - D. Cloth, shirts, and buttons
67. When the Tratiana Resort received a negative review online, the manager was quick to respond in an apologetic manner, offering the customer an upgraded room should they choose to visit again. This is an example of
- A. brand evangelism.
 - B. guest recovery.
 - C. product adaptation.
 - D. poor customer service.
68. Cherine works at the Greenfield Metropolitan Art Museum. Her manager recently instructed her to collect visitors' feedback on the museum's newest exhibit. Which of the following market research methods is most likely to generate the primary data she needs:
- A. Museum membership cards
 - B. On-site intercept surveys
 - C. Interviews with staff members
 - D. Admissions and sales records

69. Which of the following is a category of selling policies employees are expected to follow:
- A. Service
 - B. Positioning
 - C. Operating
 - D. Inventory
70. A cafe wants to determine how well its loyalty program is working. Which of the following data will help it determine the mean use-rate of customers' loyalty cards:
- A. Data that reveal which customers use their loyalty cards the most often
 - B. Data that show which month has the highest number of customers using the loyalty card
 - C. Data that show the number of times each customer has used the card over several months
 - D. Data that reveal which customers use their loyalty cards the least
71. Which of the following would help businesses keep online accounts, applications, or programs most secure:
- A. Two-factor authentication
 - B. Simple passwords
 - C. Security guards
 - D. Video conferencing
72. When is a business most likely to place a straight rebuy with a vendor?
- A. To order seasonal merchandise
 - B. To replenish its regularly stocked items
 - C. To accommodate customers' unique requests
 - D. To change the quantities of items that it routinely orders
73. What is one way that promotion benefits the economy?
- A. Creates images
 - B. Builds confidence
 - C. Offers information
 - D. Provides jobs
74. Twice a week, a music teacher comes to Laura's daycare center to give lessons to children who want to learn how to play the piano. Other daycares in the community do not provide this service. What type of competitive advantage does Laura's business have over the other daycare centers?
- A. Quantitative
 - B. Cost
 - C. Technical
 - D. Differentiation
75. Which of the following strategies should a company employ when trying to implement strong customer service practices:
- A. Avoiding the use of technology to analyze customers
 - B. Creating a complicated process for customer service
 - C. Hiring as many people as possible
 - D. Providing 24/7 year-round customer service

76. One way that both large and small companies can benefit when they divide up their markets is through an increase in their
- A. opportunities for promotion.
 - B. production capabilities.
 - C. access to consumers.
 - D. efficient use of resources.
77. Which of the following is true about service marketing:
- A. It involves creating relationships with a target audience.
 - B. It aims to reduce the number of returns by customers.
 - C. It is easy to demonstrate the value of what is being sold.
 - D. It focuses on selling items that can be seen and touched.
78. What internal factors do businesses need to evaluate so they can take steps to effectively control their risks?
- A. Exchange rates
 - B. Loss exposures
 - C. Industry trends
 - D. Regulatory issues
79. Full-service hotels that provide upscale services and amenities usually charge high rates because their guests associate price with
- A. supply.
 - B. economy.
 - C. value.
 - D. quality.
80. Which of the following is an example of a business logo:
- A. Pepsi's red, white, and blue circle
 - B. Taco Bell's commitment to customer service
 - C. Apple's thin and sleek iPhone design
 - D. Starbucks's rotating seasonal menu
81. As a country's economy develops, it is _____ to contribute to world trade.
- A. not able
 - B. more likely
 - C. less likely
 - D. not permitted
82. Cornell wants to start his own business, but he isn't exactly sure what product or service he wants to pursue at the moment. The first step of the entrepreneurial process that Cornell should focus on is
- A. verification.
 - B. illumination.
 - C. idea generation.
 - D. a feasibility study.

83. Which of the following is one of the main functions of an operating budget:
- A. To explain profits
 - B. To itemize assets
 - C. To allocate funds
 - D. To reduce expenses
84. What do business managers often need to do to maintain collaborative partnerships with colleagues?
- A. Evaluate feedback
 - B. Be enthusiastic
 - C. Resolve conflicts
 - D. Recognize stereotypes
85. Rather than buying cheaper materials to lower costs in the short term, a purchasing professional opts to buy higher quality materials to continue the production of quality products and to maintain their company's reputation for the long term. The purchasing professional is considering _____ in their decision-making.
- A. trust
 - B. viability
 - C. compliance
 - D. objectivity
86. Which of the following are components generally included in a company's business plan:
- A. Management plan, licensing contract, and annual report
 - B. Marketing plan, summary, and franchise agreement
 - C. Company description, financial plan, and marketing plan
 - D. Summary, operating plan, and sales report
87. When developing an executive summary for a written report, the writer should include
- A. all supporting evidence.
 - B. technical jargon.
 - C. mostly background information.
 - D. the most important points.
88. Orson, the sole proprietor of a home-based consulting business, wants to purchase and run a restaurant franchise. So he can focus on his new venture, what is Orson likely to do about his consulting business?
- A. Close the business.
 - B. Form an "S" corporation.
 - C. Sell the business for a licensing fee.
 - D. Serve on the business's board of directors.
89. Which of the following is a personnel record that businesses usually maintain:
- A. Payroll stubs
 - B. Job applications
 - C. Office newsletters
 - D. Safety regulations

90. What do businesses need to develop to effectively assess employee performance?
- A. Job descriptions
 - B. Recognition systems
 - C. Appropriate feedback
 - D. Evaluation criteria
91. A coffee shop wants to appeal to young, tech-savvy consumers. To appeal to this demographic, the business should consider
- A. instituting a minimum amount for credit card payments.
 - B. gathering analytics from credit card payments.
 - C. accepting mobile credit card payments.
 - D. purchasing a receipt printer.
92. Which of the following is an important consideration when developing product extensions in the travel and tourism industry:
- A. Attitudes of industry employees
 - B. Needs of the target market
 - C. Cost of advertising new ideas
 - D. Complexity of the purchasing process
93. Raina is the marketing manager for a tour bus company in a national park. She recently looked through the company's customer database to determine the median customer age. Raina plans to use this information to better tailor the company's marketing efforts to its audience. Raina is using _____ to aid in decision-making.
- A. customer feedback
 - B. descriptive statistics
 - C. predictive statistics
 - D. data coding
94. Directors who are telling employees how to use their time are
- A. providing stability and structure.
 - B. initiating change smoothly.
 - C. motivating employees.
 - D. ensuring resources are used efficiently.
95. Businesses in the hospitality and tourism industry collect _____ data through observations or focus groups.
- A. secondary
 - B. sales
 - C. internal
 - D. primary
96. Risk management is different from risk control in that risk management
- A. involves implementing automations to reduce risk.
 - B. identifies, analyzes, and treats risks.
 - C. aims to increase risk.
 - D. is a type of risk treatment.

97. Which of the following is a benefit that comes from tracking analytics:
- A. Preventing page bounces
 - B. Discovering new sales tactics
 - C. Measuring the success of marketing campaigns
 - D. Saving money on web hosting costs
98. In which of the following businesses is the business owner most likely responsible for setting prices:
- A. A small local coffee shop
 - B. Costco
 - C. Walmart
 - D. A large coffee corporation
99. One of the reasons why a chain of hotels might analyze and interpret the marketing information contained in databases is to
- A. compare variables.
 - B. organize products.
 - C. tabulate findings.
 - D. survey guests.
100. How can companies use social media to enhance a customer's post-sale experience?
- A. To answer questions and solve problems
 - B. To discourage negative feedback
 - C. To hide any issues with a product or service
 - D. To pressure customers into buying more



KEY

Test Number 1337

Hospitality and Tourism Exam

Hotel and Lodging Event
Restaurant and Food Service Management Event
Travel and Tourism Event

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1. B

Capital resources. Capital resources are the money, machinery, equipment, and supplies used in production. They are only one type of resource used in production. Utility is usefulness added to a product. Utility enables products to meet the needs of the consumers who buy and use the product. Fiscal control is government use of price controls, licensing, wage control, tax rates, and other monetary methods by government to regulate business.

SOURCE: OP:017 Explain the concept of production

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

2. D

To determine selling price. One reason why businesses track their operating costs is to determine selling price. Since overhead costs are a part of the cost of doing business, they must eventually find their way back to the product. Businesses must include in the selling price all the costs involved in making and selling the product in order to realize a profit. Businesses do not track their operating costs in order to calculate inventory needs, estimate property value, or develop commission rates.

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

SOURCE: Paljug, K. (2025, March 7). *Operating costs: Definition, formula, types, and examples*. Retrieved October 8, 2025, from <https://www.investopedia.com/terms/o/operating-cost.asp>

3. A

Breaking down the work. After defining the project scope, the next step is to break it down further into specific activities and tasks. Sierra is taking the larger project scope (decorating the kitchen) and breaking it down into tasks and activities (purchasing towels, picking a paint color, and organizing utensils). Sierra has already defined the project scope. Sierra is not planning communications or developing a draft plan.

SOURCE: OP:519 Plan project

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

4. C

Offering incentives. Businesses can encourage customer communication by offering incentives such as coupons or free samples. Incentives capture customers' attention and encourage them to respond. Routing calls to an answering service or restricting business hours may discourage customer communication. Advertising is a form of communication, but it is a message to customers rather than from them.

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

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

5. D

Sole proprietorship. This is a form of business ownership in which the business is owned by only one person, and that person receives any profits made by the business. A merger is the absorption of one company by another rather than a type of business ownership. A partnership is owned by two or more people, and profits would be split between them. A corporation is owned by people who own stock in the business, and they split the profits.

SOURCE: BL:003 Explain types of business ownership

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

6. B

Put items in time sequence. Chronological order arranges items according to the time they occur. The order that describes a problem and a plan for solving it is problem/solution order. The order that arranges material into related subcategories is topical order. The order that emphasizes the relationship between events is cause-and-effect order.

SOURCE: CO:025 Make oral presentations

SOURCE: LAP-CO-025—Well Said!

7. D

Certificate of deposit. Certificates of deposit are lending investments that involve an individual lending money to a bank to earn a set interest rate over a specified period of time. A money market account is a lending investment in which an individual lends a minimum amount of money to a bank to earn interest. A savings account is also an investment in which money is lent to a bank, but that money can typically be withdrawn at any time. Savings accounts generally have lower interest rates than certificates of deposit. A fidelity bond is insurance coverage that protects a business from losses due to employee theft.

SOURCE: FI:077 Explain types of investments

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

8. C

Pure. A flood is a pure risk because it only brings the possibility of loss or no loss, but no gain. A speculative risk can bring loss, no change, or gain. A financial risk is a financial event or situation that directly impact's a company's cash flow, such as inflation or accounting errors. An operational risk is caused by employees' actions or by routine business activities.

SOURCE: SM:075 Explain the nature of risk management

SOURCE: LAP-SM-075—Prepare for the Worst; Expect the Best (Nature of Risk Management)

9. A

Problem solving. Creativity is the ability to generate unique ideas, approaches, and solutions. It involves creating something that would not have evolved naturally. Creativity applies to fields such as art, music, writing, or inventing, as well as coming up with solutions to business problems. Many highly intelligent people are not creative. Open-mindedness and verbal skill are two characteristics that creative people often have in common.

SOURCE: PD:012 Demonstrate appropriate creativity

SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

10. B

Determine your retirement income needs. The first step to planning your retirement is to determine how much income you will need. You can use your current expenses and income as a starting point. It is important to understand investment options, figure out how much you need to save, and pick the right savings tools, but first you need to know what your retirement income needs are to make informed decisions about these three matters.

SOURCE: FI:569 Discuss the nature of retirement planning

SOURCE: AICPA & CIMA (2023, September 14). *4 questions to identify your retirement needs and goals*. Retrieved October 10, 2025, from <https://www.aicpa-cima.com/resources/article/4-questions-to-identify-your-retirement-needs-and-goals>

11. B

Establishment of standards. Some organizations require members to pledge to adhere to a code of ethics in order to maintain high professional standards. Professional organizations are primarily concerned with expanding the knowledge of the profession and maintaining high professional standards. The opportunity to attend sales promotion events, expand business contacts, and take advantage of group services are other benefits of belonging to professional organizations and/or trade associations.

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: ElectionBuddy. (2024, January 25). *What is the impact of a professional organization?* Retrieved October 8, 2025, from <https://electionbuddy.com/blog/2024/01/25/what-is-the-impact-of-a-professional-organization>

12. B

Risk. During the planning phase of a project, managers perform a risk assessment, which identifies the potential risks associated with a project and plans to minimize their effects. The possibility that a project team member might leave is a risk. It is not a governance mechanism, a control, or a lesson learned.

SOURCE: OP:158 Explain the nature of project management

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

13. C

A library catalog. Database systems organize data for easy retrieval. A library catalog helps libraries organize data and retrieve information about books easily. A chart reflecting sales revenue, a marketing report, and scheduling software are all useful business tools but are not examples of database systems.

SOURCE: NF:141 Access information in the database system

SOURCE: IBM. (2025). *What is a database?* Retrieved October 8, 2025, from <https://www.ibm.com/think/topics/database>

14. D

Scalar principle. The scalar principle is an organizational principle that states that authority should flow in a clear, unbroken line from the top of an organization to the bottom. Span of control refers to how many employees a manager can effectively supervise at one time. Staff authority is advisory authority that often does not carry the ability to enforce decisions. Responsibility is the duty to get the job done.

SOURCE: EC:103 Explain the organizational design of businesses

SOURCE: LAP-EC-103—Designed to Work (Organizational Design of Businesses)

15. A

Talk through the situation with a friend or coworker. Sharing your feelings with others is one way to manage stress. Holding stress inside doesn't make it go away—in fact, it usually just makes it worse. Talking through problems with a friend or trusted coworker can often reduce stress. Creating an employee survey is a way that employers can identify stress. Zane should not take on a greater amount of work or skip work often.

SOURCE: EI:028 Explain the nature of stress management

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

16. A

Expansion. An expansion is a time of economic prosperity during which consumers and businesses, anticipating improved economic conditions, begin to spend more money, and the Federal Reserve System puts more money into circulation, thus decreasing interest rates. In this situation, economic prosperity came about due to falling interest rates and consumers and businesses spending and investing more money. A peak occurs when the economic prosperity reaches its high point. Contraction occurs when the high point passes, the demand for goods and services starts to fall, and unemployment rises. The trough is the low point of the contraction when economic activities stop their decline.

SOURCE: EC:018 Determine the impact of business cycles on business activities

SOURCE: The Investopedia Team. (2025, July 16). *Economic cycle: Definition and 4 stages*. Retrieved October 8, 2025, from <https://www.investopedia.com/terms/e/economic-cycle.asp>

17. B

Training its employees. A company's image, or brand, is the way a person or group views the company; it's the combined impressions and experiences associated with the company. The manner in which employees perform their tasks affects the way people view the company. For example, a business that wants to portray an upscale image might train its employees to respond and service customers in a specific way or by following a set of procedures. To reinforce the upscale image, the business might require an employee to greet the customer in a certain way, provide extra amenities, wear certain apparel, or follow certain cleaning procedures to maintain the facility. Although it is important for a business to develop a financial plan, conduct a competitive analysis, and identify necessary resources, these activities do not directly affect how employees convey a certain image.

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

SOURCE: Kenton, W. (2025, September 20). *How to build a successful brand identity: Types and strategies*. Retrieved October 8, 2025, from <https://www.investopedia.com/terms/b/brand.asp>

18. B

Sovereign immunity. Sovereign immunity is a legal concept stating that the courts in a country represent that country's laws, and their decisions cannot be reversed by the decisions of courts in other countries. For example, a U.S. court cannot reverse a finding of "not guilty" by a court in Canada, or vice versa. This means that businesses operating in foreign countries are subject to the laws of those countries. Eminent domain involves the right of a government entity to take private property for a public purpose with fair compensation being paid to the owner. Absolute privilege is a protection given to courtroom participants to encourage people to speak without fear of liability. Social responsibility is the concept that businesses are accountable to society and have a duty to contribute to the well-being of society.

SOURCE: BL:001 Describe legal issues affecting businesses

SOURCE: Transnational Litigation Blog. (2023, April 13). *A primer on foreign sovereign immunity*. Retrieved October 8, 2025, from <https://tlblog.org/a-primer-on-foreign-sovereign-immunity/>

19. B

The project itself. A project's quality-management plan includes strategies to ensure the quality of the deliverables as well as the quality of the project itself. At the end of the project, managers want to look back and say that it ran smoothly. A project's quality-management plan cannot ensure the quality of the project's purpose—those who are assigning the project are responsible for that. It also cannot ensure the quality of employee education or organizational investors.

SOURCE: OP:001 Develop project plan

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

20. C

Coordination. When creating an outline, coordination means ensuring all the information in the first heading should have the same significance as the information in the second heading. This also applies to subheadings. For example, if the first heading is “Benefits of creating an outline,” the second heading should follow the same format, such as “Disadvantages of creating an outline.” Parallelism refers to headings having a parallel structure (e.g., if the first heading is a verb, the second heading should be a verb). Subordination refers to information in headings being more general, while information in subheadings should be more specific. Division refers to each heading being divided into two or more parts.

SOURCE: NF:080 Apply information to accomplish a task

SOURCE: Purdue OWL. (n.d.). *Four main components for effective outlines*. Retrieved October 9, 2025, from https://owl.purdue.edu/owl/general_writing/the_writing_process/developing_an_outline/index.html;

21. A

Ginny has a conflict of interest. Since Ginny's husband owns a good deal of stock in GRR Enterprises, her husband has a vested interest in the outcome of GRR's audit. As a result, it could be unethical for Ginny to perform the audit, especially if her husband's investment in GRR influences her judgment as an independent auditor. Ginny's husband does not work for GRR; instead, he owns stock in GRR. A certified public accountant (in the U.S.) or a chartered accountant (in Canada) should perform the audit, not a tax accountant. GRR should expect its auditor to act with due care and professionalism.

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

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

22. D

Office equipment. Capital goods resources are manufactured or constructed items that are used to produce goods and services. Iron ore and pine trees are natural resources. A computer operator is a human resource.

SOURCE: EC:003 Explain the concept of economic resources

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

23. B

Economizing. When people economize, they try to get the most for their money. Producing involves creating products from resources. The needs and wants of consumers are determined before goods and services are produced. Resources are utilized in the production of goods and services.

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

SOURCE: LibreTexts. (2021, June 24). *Economizing*. Retrieved October 9, 2025, from [https://socialsci.libretexts.org/Bookshelves/Anthropology/Cultural_Anthropology/Cultural_Anthropology_\(Wikibook\)/7%3A_Production_Inequality_and_Development/7.5%3A_Economizing](https://socialsci.libretexts.org/Bookshelves/Anthropology/Cultural_Anthropology/Cultural_Anthropology_(Wikibook)/7%3A_Production_Inequality_and_Development/7.5%3A_Economizing)

24. B

Discouraging consumers from saving or investing. High or unexpected inflation can have negative effects on the economy—it can discourage people from saving or investing, decrease (not increase) consumer spending, reduce (not improve) the standard of living, and even cause (not prevent) shortages of goods.

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

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

25. D

Technology improvements. A trend is the general direction in which people or events are moving. To compete in the marketplace, businesses must use technology. Technology can improve a business's efficiency and productivity levels by making use of technological tools, such as machinery, computer networks, and the media. Because technology is always changing, businesses must also change to remain competitive. Economic conditions (e.g., unemployment rates, inflation, interest rates, business growth) fluctuate and change and do not remain stable. Business and consumer buying motives are not always predictable. Product classification is not a business trend that affects a business's efficiency and productivity levels.

SOURCE: NF:013 Describe current business trends

SOURCE: Howarth, J. (2025, October 3). *9 top business trends (2025 & 2026)*. Retrieved October 9, 2025, from <https://explodingtopics.com/blog/business-trends>

26. C

Loans. Businesses often obtain loans from banks or investors. A thriving business may use loan money to expand its operations. On the other hand, an ailing business might use borrowed money simply to survive. Other sources of cash that flow into a business include sale of assets, interest, sale of products, and startup money. Payroll, taxes, and rent are examples of cash that flow out of a business.

SOURCE: FI:091 Describe the nature of cash flow statements

SOURCE: LAP-FI-091—Count the Cash (Cash Flow Statements)

27. C

Purchasing behavior and preferences. Many hotel chains, airlines, and other hospitality and tourism businesses use customer loyalty programs to collect pertinent customer information such as guests' contact information, purchasing behavior, and preferences. In exchange for this information, businesses with loyalty programs offer special deals, discounts, and benefits to guests who participate. Hospitality and tourism customers typically don't have to share their employment history or monthly income to take part in a loyalty program. If they apply for a credit card offered by a hospitality and tourism business, they often are required to provide that information. A feasibility study, which typically has no connection to customer loyalty programs, is an organized inquiry into the possible success of a business idea or venture. Distribution channels are paths or routes that goods or services take from the producer to the ultimate consumer or industrial user. While customers taking part in a loyalty program may be asked to identify their preferred communication channels, they aren't typically asked about their preferred distribution channels.

SOURCE: NF:283 Describe methods used to collect hospitality and tourism business information (e.g., observations, mail, telephone, Internet, discussion groups, interviews)

SOURCE: Revinate. (2025, July 31). *Beyond points: Building a customer loyalty strategy that drives direct revenue*. Retrieved October 9, 2025, from <https://www.revinate.com/blog/hotel-customer-loyalty/>

28. A

A hold is placed on a portion of the card's available credit line when the guest checks in. An authorization check is made when the guest arrives to ensure that there are sufficient funds available on the card to cover all lodging expenses related to the reservation. A credit card is not actually charged until a guest checks out to ensure that the guest's appropriate room rate is charged as well as any other hotel charges the guest made during their stay.

SOURCE: FI:789 Discuss considerations in accepting credit-card payments

SOURCE: UniBul's Money Blog. (2025). *How to process credit card payments at hotels*. Retrieved October 9, 2025, from <http://blog.unibulmerchantservices.com/how-to-process-credit-card-payments-at-hotels/>

29. C

Better access to roads. There is a relationship between tourism and economic development, especially in towns that rely on tourists to enhance their economic development. For example, tourism in a small town can aid in the development of infrastructure, provide more jobs for local citizens, and help local citizens start businesses that cater to tourists. A small town with a strong economy as a result of tourism will have infrastructure to support the tourist market, such as better access to developed roads, good airports, and available hotels and restaurants. Tourism needs several services to sustain in the industry, which leads to more jobs for the locals in restaurants, stores, hotels, etc. In addition, tourism allows for more businesses, as local citizens are more likely to open small businesses that cater to tourists.

SOURCE: EC:136 Explain the relationship between the economy and hospitality and tourism

SOURCE: Ejim, E. (2024, May 16). *What is the relationship between tourism and economic development?* Retrieved October 9, 2025, from <https://www.smartcapitalmind.com/what-is-the-relationship-between-tourism-and-economic-development.htm>

30. D

Keep the slides simple. Presentation slides should be designed as simply as possible to avoid distracting, confusing, or overwhelming your audience members. Slides should include simple bullet points and one or two visuals at most. Text should be limited to whatever is absolutely necessary to convey the most important information. It would be unprofessional to include too many graphics or words per slide.

SOURCE: NF:290 Prepare and use presentation software to aid in making oral reports

SOURCE: Columbia College. (2025, September 9). *Giving presentations*. Retrieved October 9, 2025, from <https://columbiacollege-ca.libguides.com/presentations/software>

31. B

Follow up with the customer to ensure satisfaction. The selling process consists of several phases. Each phase is important and contributes to accomplishing the salesperson's goal of making a sale. The last phase involves reaffirming the buyer-seller relationship. This phase is important because it helps customers feel confident about their purchases, which may influence their decision to purchase from the business in the future. To reaffirm the buyer-seller relationship, salespeople follow up with the customer to make sure the customer is satisfied with the purchase. If the customer is not satisfied, the salesperson can take corrective action to ensure customer satisfaction. A sales presentation occurs during the phase in which the salesperson prescribes solutions to the customer's needs. Putting the customer at ease by being friendly and approachable occurs during the phase in which the salesperson is establishing a relationship with the customer. Taking the necessary time to handle the customer's objections occurs during the phase in which the salesperson reaches closure.

SOURCE: SE:048 Explain the selling process

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

32. D

Return customers. When customers spend money on food, lodging, and travel, they expect an all-around positive customer experience. Poor service is one of the most common reasons that an individual does not return to a hospitality/tourism business. Return customers provide a significant amount of revenue for a hospitality business, so it is important to exceed customer expectations when it comes to service. The success of a hospitality/tourism business does not necessarily rely on high-end products, smart sales strategies, or networking efforts.

SOURCE: CR:049 Explain the nature of customer service in the hospitality and tourism industry

SOURCE: Gallagher, R. (2024, November 15). *60% of restaurant sales are from repeat guests—Here's how to keep them coming back*. Retrieved October 9, 2025, from <https://www.olo.com/blog/60-of-restaurant-sales-are-from-repeat-guests-heres-how-to-keep-them-coming-back>

33. D

Religion. One issue associated with religious diversity is that different religions celebrate different holidays. If Rita has to work during holidays she and her family celebrate, it is likely that her employer does not have a policy that accommodates religious diversity. Working during holidays is not necessarily associated with gender, disability, or age.

SOURCE: HR:515 Discuss issues associated with workplace diversity (e.g., ethnic, generational, religious, gender)

SOURCE: McFarlin, K. (2025). *How to manage religious diversity in the workplace*. Retrieved October 9, 2025, from <https://smallbusiness.chron.com/manage-religious-diversity-workplace-10718.html>

34. D

Identity theft. Identity theft is the fraudulent acquisition and use of a person's private identifying information (e.g., name, Social Security number), usually for financial gain. Paper records that are thrown away can be a source of personal information. If a company does not shred old paper records, those records could be stolen, leading to identity theft. Shredding customer records does not prevent hacking, loss of market share, or data inaccuracy.

SOURCE: OP:654 Explain the nature of identity theft controls

SOURCE: Meyers, J. (2025) *How to prevent identity theft in a business*. Retrieved October 9, 2025, from <https://smallbusiness.chron.com/prevent-identity-theft-business-4017.html>

35. D

Product extensions. Product extensions occur when a business puts its name on a variety of products, such as Oakley sunglasses, electronics, apparel, footwear, watches, etc. Businesses use these extensions to leverage the awareness of an existing brand, to make a new product readily recognizable, to reach new customers, to keep a competitor from offering the product, and to refresh its image. The Coleman Company is not monopolizing the outdoor market, since it has a variety of competitors. Upselling occurs when a salesperson sells a more expensive product than that originally requested by the customer in order to better meet the person's needs. Product positioning occurs when a business creates an image of the product or company in customers' minds.

SOURCE: PM:099 Explain the nature of product extensions in the hospitality and tourism industry

SOURCE: Hirsh, L. (2025). *What is product extension in marketing?* Retrieved October 9, 2025, from <https://smallbusiness.chron.com/product-extension-marketing-65988.html>

36. B

Present an ID with their card. Particularly in high-risk and high-ticket purchases, a second form of ID ensures that the person using the card is the owner of that card. In some cases, merchants are legally allowed to charge their customers an additional fee if using a credit card, but doing so does not help protect customers from credit card fraud. Asking a customer to pay with cash when they prefer to use credit is rude and unhelpful.

SOURCE: OP:653 Identify credit card fraud prevention methods

SOURCE: Fulton Bank. (2025). *How your small business can avoid credit card fraud*. Retrieved October 9, 2025, from <https://www.fultonbank.com/Education-Center/Small-Business/Protect-your-small-business-from-credit-card-fraud>

37. B

Promotion supports mass media. The mass communication media—radio, TV, newspapers, and magazines—are either partially or completely supported by promotional dollars. Without this money, financial support of the media would probably be passed along to customers. Promotion encourages a higher standard of living. Promotion can sometimes be deceptive or create and reinforce stereotypes, but these are disadvantages, not advantages.

SOURCE: PR:002 Explain the types of promotion (i.e., institutional, product)

SOURCE: LAP-PR-902—Know Your Options (Product and Institutional Promotion)

38. D

As a selling point. Company advertising often provides salespeople with information that they can use in selling. In this case, the salesperson could use the information about "no finance charges for six months" as a selling point to encourage customers to buy. If all other factors were equal, the information about no finance charges might be the factor that caused a customer to buy from the salesperson's company rather than another. Salespeople should not pressure customers or try to use promotional information for personal gain. Most salespeople do not have the authority to reduce prices for advertised goods or services.

SOURCE: SE:062 Acquire product information for use in selling

SOURCE: LAP-SE-062—Get Informed (Acquiring Product Information for Use in Selling)

39. B

Identify billing errors. An invoice is the formal, printed record of a sale that includes all necessary information of a sales transaction. The information includes the buyer, the seller, items purchased, quantities, prices, the delivery date, credit, discount terms, etc. Detailed invoices allow businesses to identify and rectify any billing errors in an efficient and timely manner. Invoices are a financial tool. Therefore, they do not help businesses market products. Tracking invoices does not necessarily lead to increased cash on hand—the primary goal of invoices is to archive financial transactions between businesses. Businesses do not track invoices to evaluate the vendors' performance levels.

SOURCE: OP:184 Track invoices

SOURCE: Brex. (n.d.). *15 tips on how to keep track of invoices and payments*. Retrieved October 9, 2025, from <https://www.brex.com/spend-trends/accounting/how-to-keep-track-of-invoices-and-payments>

40. B

Build long-lasting customer relationships. Customer service refers to the activities and benefits provided by a business to its customers to create goodwill. Salespeople who service their customers by following up with them, answering questions, and showing appreciation for their business are fostering ongoing, positive relationships, which facilitates repeat sales and sales leads. Salespeople are often expected to meet sales quotas rather than operating quotas. Salespeople do not provide superior service in order to earn their competitors' respect or to develop long-term contracts with vendors.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale

41. D

Active listening. Active listening is a method of listening that involves paying attention, displaying proof of listening, and providing feedback to facilitate the two-way transmission of information. Jenna likely was not listening actively while checking her missed call on her phone. As a result, the solutions she suggested were not appropriate for the customer's complaint. There is no indication that Jenna was lacking empathy, timeliness, or dependability.

SOURCE: CR:052 Identify factors associated with positive customer experiences

SOURCE: Peace Leaders Academy. (2024, May 23). *Active listening in customer service: Importance, skills & examples*. Retrieved October 9, 2025, from <https://peacefulleadersacademy.com/blog/active-listening-customer-service/>

42. D

Visitor. Visitor trends are studied so that the property can predict the number of upcoming reservations and bookings it is likely to receive based on such things as people's ages, incomes, marital status, and travel habits. Competitive trends identify the directions that other properties are moving, including their price adjustments, renovation plans, levels of service, and so forth. Trends in technology provide information about how computers, the internet, and new equipment are likely to change the way properties operate. Industry trends give an idea as to the impact that other businesses are likely to have on the property, especially those (e.g., airlines, convention centers, and highway departments) in which the property depends upon for their success.

SOURCE: NF:048 Describe current issues and trends in the hospitality and tourism industry

SOURCE: Mabrian. (2022, September 16). *Visitor demand and profile analysis*. Retrieved October 9, 2025, from <https://mabrian.com/blog/visitor-demand-profile-analysis/>

43. A

Sales promotion. Sales promotion involves promotional activities other than advertising, personal selling, and publicity which stimulate customer purchases. Sales promotions include free samples, coupons, contests, and other special incentives such as discounts intended to stimulate sales. Public relations is the relationship between business and the public. Personal selling uses planned, personalized communication that influences purchase decisions and enhances future business opportunities. Visual merchandising is display.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-903—Spread the Word (Nature of the Promotional Mix)

44. C

Revisiting its decisions after the outcomes. One way a business can consistently improve its decision-making is by revisiting its decisions after the outcomes. By doing this, businesses can evaluate their decisions and determine where they can improve. Businesses should get sign-off from all stakeholders, not just half. Capturing metrics that show successes is important, but businesses should also capture failures and the comparative benefits of other options that were considered. Businesses can also improve decision-making by researching what their competitors are doing.

SOURCE: NF:280 Identify information monitored for business decision making

SOURCE: University of Southern California. (2023, November 15). *The 5 keys to making smart business decisions*. Retrieved October 9, 2025, from <https://communicationmgmt.usc.edu/blog/the-5-keys-to-making-smart-business-decisions>

45. D

Discarding any ingredients over one-day old. Throwing out ingredients once they are no longer fresh is a good way to reinforce a restaurant's commitment to fresh food. Reusing leftover ingredients, purchasing frozen food, and offering day-old food to customers are not ways to emphasize a restaurant's commitment to freshness.

SOURCE: PM:214 Communicate core values of product/service

SOURCE: Andrivet, M. (2024, October 10). *Brand promise: What it means and why it's crucial for your business*. Retrieved October 9, 2025, from <https://www.thebrandingjournal.com/2024/10/brand-promise/>

46. D

Offer a discount on the customer's next stay. One way to engage with customers on social media is to encourage positive public feedback with discounts and other rewards. If a customer posts a positive review after their stay at the resort, the staff should offer the customer a discount to enhance their customer experience even more. There is no need for the resort to respond apologetically as the feedback is positive. Searching for customer trends is a good strategy but will not necessarily enhance the customer's experience. Finally, posting frequently will not necessarily enhance the customer's experience.

SOURCE: CR:028 Use digital media to enhance customer post-sales experience

SOURCE: University of Southern California. (2023, November 17). *Social media for customer service*. Retrieved October 9, 2025, from <https://appliedpsychologydegree.usc.edu/blog/customer-service-in-social-media>

47. A

Geolocation. Geolocation is software that enables a business to track its opt-in customers' physical location via their computers or networking devices (e.g., smartphone). A business can use geolocation software to send targeted promotional content to their customers in real time. Just-in-time is an inventory control method that involves ordering goods just in time for them to be used or sold. Voice marketing is a strategy where businesses promote products or services through live or recorded audio content. QR codes are a type of promotional tool that use two-dimensional barcodes, but they are not always based on a customers' location.

SOURCE: NF:286 Obtain hospitality and tourism information from online sources (e.g., search engines, online databases, blogs, forums, listservs, web analytics, social media, geolocation services)

SOURCE: Point Park University Online. (2025). *How to use geolocation marketing to stand out*. Retrieved October 9, 2025, from <https://www.marketingprofs.com/articles/2019/41757/how-to-use-geolocation-marketing-to-stand-out>

48. B

Physiological. When people travel for the purpose of relaxation, they are satisfying their physiological needs. These are basic needs that people have, such as the need for food, water, and sleep. With self-actualization needs, people would travel to develop their full potential. Self-esteem needs are met when people travel for self-respect and the respect of other people. Safety and security needs are being met when people travel for personal security or for a source of income.

SOURCE: SE:220 Explain factors that motivate people to choose a hospitality and tourism site

SOURCE: Cherry, K. (2024). *Maslow's hierarchy of needs*. Retrieved October 9, 2025, from <https://www.verywellmind.com/what-is-maslows-hierarchy-of-needs-4136760>

49. C

Only ask for the information he needs the most. To protect customer data, Tanner should only ask for the customer information he needs the most so he does not unnecessarily collect private data that are not needed. This technique will help him limit the risk associated with collecting data. It is not a good idea to refrain from sharing the nature of the survey, because it is best to be open and transparent with customers. Tanner should not store the data for any future use because to protect customers, their data should only be used for the intended purpose. Finally, housing data on portable drives will not necessarily help protect customer data.

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

SOURCE: Segment. (2024). *Customer data protection: A marketer's guide to securing user data*. Retrieved October 9, 2025, from <https://segment.com/resources/cdp/protect-customer-data/>

50. C

Online booking. Many hospitality and tourism businesses offer websites that enable customers to conveniently book their reservations online. This gives customers 24-hour access to reservation systems when it's convenient for them to quickly make a reservation. Customer reservation systems are used by travel agents. Customer relationship management software is databases of customer information. Websites by themselves would not expedite the reservation process for customers.

SOURCE: NF:106 Use software to automate services

SOURCE: FinancesOnline. (2025, July 17). *What is online booking software? A comprehensive guide to benefits, features, pricing and more*. Retrieved October 9, 2025, from <https://financesonline.com/online-booking-software-comprehensive-guide-benefits-features-pricing/>

51. B

Loyalty. When consumers get into the habit of buying certain brands, known as brand loyalty, they automatically make repeat purchases of that brand. This reduces the amount of time needed to make a sale. Experience with a brand does not always generate sales. Consumers who have developed resistance to a brand or object to it for some reason are not likely to buy it repeatedly.

SOURCE: PM:021 Explain the nature of product/service branding

SOURCE: LAP-PM-021—It's a Brand, Brand, Brand World! (Nature of Product Branding)

52. B

Repeat sales and increased earnings. These are specific benefits to salespeople of building a clientele. Repeat sales to a loyal client are easier to accomplish than selling to a potential new client. Increased earnings may include salary increases, bonuses, or commissions. Personal satisfaction is also a benefit to the sales staff. Reduced costs, greater sales volume, and word-of-mouth advertising are benefits to the business of building a clientele. Any increase in expenses would be a disadvantage to the business.

SOURCE: SE:828 Explain key factors in building a clientele

SOURCE: LAP-SE-828—Keep Them Loyal (Key Factors in Building Clientele)

53. C

Hire seasonal staff. To prepare for the peak season, the restaurant can hire seasonal staff. Doing so will allow the restaurant to handle the wave of customers, keep up with demand, maintain good customer service, and ensure quality. During peak times, businesses should prioritize flexibility. Increasing prices will not help the restaurant prepare for the peak season. While speed is important in the hospitality industry, companies should prioritize quality over speed, no matter the season.

SOURCE: CR:039 Maintain service standards during peaks in demand

SOURCE: Clark, T. (2024, October 15). *How to prepare your contact center for the busiest time of year*. Retrieved October 9, 2025, from <https://www.forbes.com/councils/forbesbusinesscouncil/2024/10/15/how-to-prepare-your-contact-center-for-the-busiest-time-of-year/>

54. A

Critical incident interview. Companies collect knowledge for a variety of reasons. When workplace accidents occur, companies want to know how and why they happened, so they can take steps to prevent similar accidents in the future. Questioning employees who witnessed the accident is a good starting point for determining the cause of the accident. This questioning process is called a critical incident interview. The knowledge gathered from the interviews helps the company understand the circumstances or problems that led up to the accident. Brainstorming is a creative thinking technique. An employee performance review is a formal evaluation of an employee's work efforts.

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

SOURCE: ASQ. (2025). *Critical incident*. Retrieved October 9, 2025, from <https://asq.org/quality-resources/critical-incident>

55. D

Write an exploratory report. Exploratory reports present facts so readers can understand an issue or situation. They are useful when explaining concepts or results. The general manager wants to know information about recent technological changes, so a written informational report would be appropriate. The general manager has not asked for a recommendation, so the IT director should not make one. Purchasing new software is not the most effective way to teach the general manager about recent technological changes. Finally, the general manager has not requested analytical data, because they have not asked for the reasons why or how the technological changes have occurred.

SOURCE: NF:292 Prepare written reports for hospitality and tourism decision-making

SOURCE: Purdue OWL. (2025). *Introductions, body paragraphs, and conclusions for exploratory essays*. Retrieved October 9, 2025, from https://owl.purdue.edu/owl/general_writing/common_writing_assignments/exploratory_papers/index.html

56. D

\$14.00. To determine the amount the customer owes after applying the discount amount, multiply the total food order amount by 20% ($\$17.50 \times 20\%$ or $.20 = \$3.50$). Then, subtract the discount amount from the total food order amount ($\$17.50 - \$3.50 = \$14.00$).

SOURCE: SE:149 Process complimentary offers and coupons/discounts

SOURCE: Indeed. (2025, June 6). *How to calculate a discount using 2 methods (with examples)*. Retrieved October 9, 2025, from <https://www.indeed.com/career-advice/career-development/how-to-calculate-discount>

57. C

Setting goals. The management function of deciding what will be done and how it will be accomplished is planning. An important aspect of the planning function is determining the goals or desired outcomes. All other functions of management—organizing, staffing, controlling, and directing—are affected by the planning function. Monitoring work is an element of the control function of management. Training employees and assessing their performance are elements of the staffing function of management.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: American Public University. (2024, February 21). *The four functions of management: How they impact business*. Retrieved October 9, 2025, from <https://www.apu.apus.edu/area-of-study/business-and-management/resources/the-four-functions-of-management/>

58. C

Clean and sanitary conditions. Every hotel guest has the right to have clean and sanitary conditions in their rooms and common areas. This includes having sanitized bathrooms, tidy rooms, and clean towels, wash cloths, and sheets. Although many hotels offer a free breakfast, complementary snacks, and a swimming pool, hotels are not obligated to provide these amenities to their guests.

SOURCE: BL:135 Describe the rights of customers in the hospitality and tourism industry

SOURCE: Thomas, S. (2023, July 3). *5 rights every hotel guest should know*. Retrieved October 9, 2025, from <https://hotelchantelle.com/what-are-the-rights-of-hotel-guests>

59. A

Job/Performance. A proofreader making sure that every word in a document is spelled correctly is an example of quality management at the job/performance level. Proofreading is this employee's job, and they are creating a quality product. The leadership (or managerial) level refers to top management and the company's overall goals and plans, which includes the executive level. The departmental level refers to the company's departments serving each other as internal customers.

SOURCE: QM:001 Explain the nature of quality management

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

60. A

Expand their operations. As sales and profits increase, more salespeople can be hired to accommodate more customers. Wholesalers and manufacturers serving the businesses also grow because the increased sales help them expand. Planning efforts and managing employees are business activities that take place regardless of whether businesses are making a profit and expanding. Expansion does not help salespeople to overcome customer objections.

SOURCE: SE:017 Explain the nature and scope of the selling function

SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)

61. B

Remain calm and listen closely to the customer. If a customer becomes angry, employees should remain calm and listen closely to the customer. Employees should allow the customer to get what they need off their chest while remaining calm and demonstrating that the customer is heard. Employees should maintain eye contact with the customer and avoid interrupting them. Employees should not match their interactions to that of the customer, as that may make the customer angrier. Rather, employees should set the example for the customer by remaining level-headed.

SOURCE: CR:044 Resolve hospitality and tourism related conflicts for customers

SOURCE: University of New Hampshire. (2021, July 9). *Conflict resolution strategies for the hospitality industry*. Retrieved October 9, 2025, from <https://www.nhsbdc.org/blog/2021/07/conflict-resolution-strategies-hospitality-industry>

62. A

Prevent loss. Businesses develop procedures to control cash in order to prevent loss. These procedures might include training employees on how to use the cash register, and requiring that they ring up each sale on the register and give receipts to all customers. These procedures help control cash by reducing the possibility of employees accepting payment from customers without recording the sale, charging the wrong price, or giving customers too much change. Businesses do not establish cash-control procedures to reduce depreciation, monitor debt, or estimate income.

SOURCE: FI:113 Explain cash control procedures (e.g., signature cards, deposit slips, internal/external controls, cash clearing, etc.)

SOURCE: Cook, B. (2025, September 1). *What are cash controls in business finance? And best practices for cash controlling*. Retrieved October 9, 2025, from <https://tipalti.com/resources/learn/cash-controls/#what-are-cash-controls-in-business>

63. D

Product/Service management. Product/Service management includes obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. This can include generating ideas for the product, developing a model of the product, and test marketing the new product. Product life cycle is the stages through which goods and services move from the time they are introduced on the market until they are taken off the market. Risk management is a business function that involves the planning, controlling, preventing, and procedures used by management to limit business losses. Marketing-information management involves gathering, accessing, synthesizing, evaluating, and disseminating information for use in making business decisions.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-001—Serving Up Products (Nature of Product/Service Management)

64. A

Increased efficiency. Technology has had several benefits on the hospitality and tourism industry. Increased efficiency is perhaps one of the biggest benefits, as mobile ordering and the use of artificial intelligence (AI) chatbots can increase speed and improve guest experience. The use of technology can help lower staff workload, minimize costs, and make processes simpler. In addition, technology allows for self-service, as customers can make online payments, check-in and check-out of their hotels on a mobile app, and order food or products online. Higher workload, more complicated processes, and less self-service are not benefits that technology can have on the hospitality and tourism industry.

SOURCE: NF:313 Describe the impact of mobile technology on the hospitality and tourism industry

SOURCE: Boston University School of Hospitality Administration (SHA). (2023). *Technology shaping the future of the hospitality industry*. Retrieved October 9, 2025, from <https://www.bu.edu/hospitality/2023/01/26/technology-trends-in-hospitality >

65. B

Repositioning. Companies attempt to reposition products in order to update a sagging image, to boost sagging sales, to prolong the life of a brand, to fill a market niche, or to be competitive. Brand extending introduces a new brand under an established brand name. Positioning creates a certain image or impression of a brand as compared to competitors' brands. Licensing involves the "renting" of a brand name to another company.

SOURCE: PM:003 Explain the concept of product mix

SOURCE: LAP-PM-003—Mix and Match (The Nature of Product Mix)

66. B

Gloves, coolant, and packing material. Businesses maintain different inventories that are based on their specific needs. Gloves, coolant, and packing material are examples of items that a manufacturing business might use to maintain, repair, or use to facilitate the production process. Toner and pencils are office supplies that are many businesses classify as MRO inventory. Manufacturing businesses need raw materials or work-in-process goods to make finished goods. Examples of work-in-process goods are petroleum, cloth, and buttons. Glassware and shirts are examples of finished goods. Photocopiers and fork lifts are types of equipment.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Jenkins, A. (2025, January 5). *What is inventory? Types, definition, & examples*. Retrieved October 9, 2025, from <http://www.referenceforbusiness.com/management/Int-Loc/Inventory-Types.html>

67. B

Guest recovery. Guest recovery is the process of turning dissatisfied or angry customers into satisfied customers through quality service. The Tratiana Resort is practicing guest recovery by responding quickly and offering an upgrade to an angry customer. This is not an example of poor customer service, brand evangelism, or product adaptation.

SOURCE: CR:045 Explain the nature of guest recovery

SOURCE: Beambox Team. (2025, March 11). *Guest recovery: 6 steps to turn negative situations around*. Retrieved October 9, 2025, from <https://beambox.com/townsquare/guest-recovery>

68. B

On-site intercept surveys. Travel and tourism businesses commonly use on-site intercept surveys to collect primary research data. In a museum setting, on-site intercept surveys typically involve interviewers who physically approach and survey guests immediately after visiting a particular exhibit or gallery. Survey questions are designed to capture guests' feedback and satisfaction about the exhibit or gallery that they just viewed. While interviews with staff members may give some indication of visitors' reactions, gathering feedback directly from the visitors is even more effective. Museum membership cards, admissions records, and sales records are sources of secondary research data.

SOURCE: NF:282 Explain types of primary hospitality and tourism market information

SOURCE: Drive Research. (2023, April 23). *Travel and tourism market research options [+ pros & cons]*. Retrieved October 29, 2025, from <https://www.driveresearch.com/market-research-company-blog/market-research-options-for-the-travel-tourism/>

69. A

Service. Service policies are guidelines governing the support a company provides to the customer after the sale, through return, repair, and installation policies. Operating policies guide the general operation of the business. Inventory policies govern the purchase and maintenance of stock. Positioning is the consumer's image of a product or a business.

SOURCE: SE:932 Explain company selling policies

SOURCE: LAP-SE-932—Sell Right (Selling Policies)

70. C

Data that show the number of times each customer has used the card over several months. The mean of a set of data is the average of those data. So, the most effective method for determining the mean use-rate of loyalty cards involves using data from a wide range of customers. Examining several months of individual customer data will help determine the mean or average use-rate of customers' loyalty cards. Data revealing the month of highest loyalty card use do not show the overall customer use-rate. Data revealing which customers use the card most or least also do not help determine the overall customer use-rate.

SOURCE: NF:236 Explain the use of descriptive statistics in business decision making

SOURCE: Hayes, A. (2025, September 25). *Descriptive statistics: Definition, overview, types, and examples*. Retrieved October 9, 2025, from https://www.investopedia.com/terms/d/descriptive_statistics.asp

71. A

Two-factor authentication. Two-factor authentication is a digital security technique that requires multiple forms of identification—such as a username, password, and email confirmation—to log in to an online account or application. Simple passwords do not keep business accounts, applications, or programs safe because they can be easily guessed or hacked. Security guards can protect physical business assets but are ineffective against digital breaches. Video conferencing is a tool used by businesses for communication, not online security.

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

SOURCE: Federal Trade Commission. (2022, September). *Use two-factor authentication to protect your accounts*. Retrieved October 9, 2025, from <https://consumer.ftc.gov/articles/use-two-factor-authentication-protect-your-accounts>

72. B

To replenish its regularly stocked items. A straight rebuy is a purchase order in which the business orders normally stocked items to replenish items that have been used or sold. Orders that are placed to accommodate customers' unique requests are special orders. A modified rebuy is a type of order in which there are changes in the quantities or styles of items that are routinely ordered. Seasonal merchandise includes items businesses order and sell during specific times of the year when demand is high (e.g., during the holiday gift-giving season). Large retailers often use blanket orders to purchase seasonal goods.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: SendPulse. (2025). *What is a straight rebuy: Definition and examples*. Retrieved October 9, 2025, from <https://sendpulse.com/support/glossary/straight-rebuy>

73. D

Provides jobs. Promotion benefits the economy by providing many job opportunities. There are more than 10 million people employed in the field of promotion. Promotion also encourages demand for a product which in turn helps to create a need for mass production. The need to produce a product in the desired quantity increases the number of jobs required for production. Creating images and building confidence are ways that promotion benefits businesses. Offering information benefits consumers.

SOURCE: PR:001 Explain the role of promotion as a marketing function

SOURCE: LAP-PR-901—Razzle Dazzle (Nature of Promotion)

74. D

Differentiation. A competitive advantage is the edge achieved by a business that offers something better than the competition. In the situation described, Laura has differentiated her business by providing services that other businesses do not—piano lessons. When a business uses cost to set itself apart from its competitors, it is focusing on price. Offering piano lessons does not provide Laura's business with a technical advantage. Quantitative is a way to measure something numerical in nature rather than offering a competitive advantage.

SOURCE: PM:246 Identify product's/service's competitive advantage

SOURCE: Walton, A., & Gale, C. (2025, September 26). *What is competitive differentiation?* Retrieved October 9, 2025, from <https://www.competitiveintelligencealliance.io/what-is-competitive-differentiation/>

75. D

Providing 24/7 year-round customer service. When a company is trying to implement strong customer service practices, it should consider providing 24/7 year-round customer service. Although it may not be feasible for some companies, providing this service can go a long way toward providing a positive customer experience. Being available after hours and on weekends can build trust and loyalty in customers. Rather than hiring as many people as possible, companies should consider hiring the right people. Customer service representatives that have the necessary skills, along with being patient, empathetic, and good listeners, will improve the overall experience for customers. Customer service processes should be simple and easy for customers, not complicated. Companies should use technology to analyze customers. The use of technology makes the customer service representative's job easier and gives them information needed to properly help customers.

SOURCE: CR:051 Identify factors affecting customer-service practices in hospitality and tourism

SOURCE: Chouffani, R. (2021, December 2). *10 customer service best practices to follow*. Retrieved October 9, 2025, from <https://www.techtarget.com/searchcustomerexperience/feature/10-customer-service-best-practices-to-follow>

76. D

Efficient use of resources. The division of a total market into smaller, more specific groups is market segmentation. Segmentation enables marketers to meet the needs of customers more effectively by focusing on the needs of a specific market. Segmenting the market does not increase production capabilities, opportunities for promotion, or access to consumers.

SOURCE: MP:003 Explain the concept of market and market identification

SOURCE: LAP-MP-003—Have We Met? (Market Identification)

77. A

It involves creating relationships with a target audience. Services are intangible objects or activities that are performed by other people for money, including haircuts, insurance, dry cleaning, etc. Services cannot be returned. It can be difficult to demonstrate the value of what is being sold because services are not tangible. Because of this, service marketing also relies heavily on creating relationships with a target audience. Product marketing focuses on selling items that can be seen and touched.

SOURCE: MK:008 Differentiate between service marketing and product marketing

SOURCE: Britts Imperial. (2025) *Service marketing vs. product marketing: Key differences and best practices*. Retrieved October 9, 2025, from <https://brittsimperial.com/service-marketing-vs-product-marketing-key-differences-and-best-practices/>

78. B

Loss exposures. Circumstances that create risk factors are loss exposures. Loss exposures within the business include situations such as safety and health hazards, information security, and property theft. Businesses can lower and control these types of risks by implementing policies and by requiring employees to follow procedures that minimize safety, illness, computer breaches, and theft. Changes in exchange rates, regulations, and industry trends are external factors that can affect a business's level of risk.

SOURCE: RM:058 Discuss the nature of risk control (i.e., internal and external)

SOURCE: Great West Casualty Company. (2022, June 24). *As the risk manager: Loss exposure*. Retrieved October 9, 2025, from <https://blog.gwccnet.com/blog/ask-the-risk-manager-loss-exposures>

79. D

Quality. Customers often associate price with quality. For example, customers assume that if the price of a hotel room is high, the quality is high. Full-service hotels that provide upscale services and amenities usually charge high rates for their rooms because guests expect to pay high prices for the quality services. High prices are realistic to guests who stay in full-service hotels. If the hotels lowered their prices, guests might not stay there, because the rates are lower than expected, and they might assume that the quality is also low. Guests of full-service hotels do not associate high prices with value or economy. Supply is the quantity of a good or service that sellers are able and willing to offer for sale at a specified price in a given time period.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

80. A

Pepsi's red, white, and blue circle. A logo is a distinctive symbol, design, or group of letters. For example, you probably recognize the panda used as the World Wildlife Fund's logo or the red, white, and blue circle used as Pepsi's logo. Commitment to customer service, the design of a single product, and the items listed on a menu are not examples of logos.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: LAP-PM-206—Corporate Identity (Nature of Corporate Branding)

81. B

More likely. As a country's economy grows, it has the ability to produce more goods and services, enter foreign markets, and purchase products from other countries. A company would not be less likely to contribute to world trade, unable to contribute to world trade, or prohibited from contributing to world trade.

SOURCE: EC:116 Explain the impact of a country's economic development on world trade

SOURCE: Natter, E. (2025). *The effects of economic globalization on developing countries*. Retrieved October 20, 2025, from <https://smallbusiness.chron.com/effects-economic-globalization-developing-countries-3906.html>

82. C

Idea generation. Coming up with an idea is the first step in the entrepreneurial process; without an initial idea, none of the other steps can be completed. A feasibility study is conducted to see if the idea is viable. Two steps in the feasibility study are illumination (where the idea becomes realistic) and verification (where the idea is found to be practical and useful).

SOURCE: EN:039 Describe the nature of entrepreneurship

SOURCE: Shahid, K. (2025). *The process of entrepreneurship: The five stages of a successful entrepreneurial process*. Retrieved October 20, 2025, from <https://blog.hubspot.com/sales/stages-of-entrepreneurship>

83. C

To allocate funds. One of the main functions of an operating budget is to allocate funds to pay the expenses of operating a business. Businesses develop budgets in order to allot funds to the various departments. The budget specifies the exact amount of money each unit will receive to cover expenses, such as for telephones and supplies, during a certain period of time. An operating budget is not intended to reduce expenses, itemize assets, or explain profits.

SOURCE: FI:098 Explain the nature of operating budgets

SOURCE: Gustafson, B. (2025). *A small business guide to operating budgets*. Retrieved October 20, 2025, from <https://ramp.com/blog/what-is-an-operating-budget>

84. C

Resolve conflicts. Maintaining relationships with colleagues involves working effectively with business associates such as coworkers, customers, other managers, suppliers, etc. When dealing with a variety of people, there always are reasons for conflict to occur. Being able to effectively resolve conflicts will make it possible to maintain collaborative partnerships. For example, there may be a conflict with a supplier and a customer because of a delayed shipment. Resolving the conflict to the satisfaction of both will maintain the relationship. Recognizing stereotypes, evaluating feedback, and being enthusiastic will not necessarily enable managers to maintain collaborative partnerships with colleagues

SOURCE: EI:061 Maintain collaborative partnerships with colleagues

SOURCE: Reynolds, P. (2024, January 8). *Preventing and managing team conflict*. Retrieved October 20, 2025, from <https://professional.dce.harvard.edu/blog/preventing-and-managing-team-conflict/>

85. B

Viability. Ethical purchasing specialists think about the future and consider the viability (long-term value of your choices and actions) of their actions. This means purchasing quality products from ethical sources and developing socially responsible relationships. Because the purchasing professional buys higher quality materials to continue the production of quality products and is looking to maintain their company's reputation for the long term, they are considering viability in their decision-making. Compliance is fulfilling the requirements of the law. Objectivity is the state of being impartial or lacking bias. Trust is the ability to rely on the character, integrity, or truthfulness of something or someone.

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

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

86. C

Company description, financial plan, and marketing plan. A comprehensive business plan consists of many elements including detailed financial, marketing, product, service, management, operating, and legal plans. The company description defines the type and purpose of the business. The summary is an overview that highlights the main points of the various plans. Although some businesses might include information such as franchise agreements, annual reports, and sales reports, these items are not always applicable to the business and, therefore, are not always components that are included in a business plan.

SOURCE: SM:007 Explain the nature of business plans

SOURCE: LAP-SM-007—Plan Now, Succeed Later (Nature of Business Plans)

87. D

The most important points. The executive summary provides an overview of the entire report and contains the most important information included in the body of the report. Although it may be appropriate to include some background information, some supporting evidence, and a limited amount of technical jargon, the primary purpose of the executive summary is to provide a concise and clear overview of the entire document. Comprehensive background information and detailed supporting evidence are placed in the body of the report or in the appendices.

SOURCE: CO:091 Write executive summaries

SOURCE: Martins, J. (2025, February 20). *How to write an executive summary, with examples*. Retrieved October 20, 2025, from <https://asana.com/resources/executive-summary-examples>

88. A

Close the business. Developing a harvesting or exiting strategy for a venture is an important step in the entrepreneurial process. Orson must decide how much, if at all, he wants to be involved in the business upon leaving the day-to-day operations. One option is to close the business, which is most likely the option Orson would select. As a home-based sole proprietor, Orson does not have partners or employees to think about or overhead and office expenses, making closing his business a viable option. Since he wants to focus on his next venture, he is unlikely to structure the consulting business as a corporation, which is time consuming, expensive, and requires a board of directors. A home-based consulting business that is established as a sole proprietorship is not sold for licensing fees.

SOURCE: EN:036 Evaluate options for continued venture involvement

SOURCE: Richards, D. (2020, January 3). *How to write a business exit plan*. Retrieved October 20, 2025, from <https://www.thebalance.com/writing-a-business-plan-planning-your-exit-strategy-1200841>

89. B

Job applications. One type of personnel record that businesses usually keep on file is the job application. Businesses maintain the applications of current employees as well as new applicants who have applied for advertised positions. Many businesses keep new applications on file for a certain period of time, such as six months or one year, in order to access those records in the event that another position becomes available. Then, the business can contact former applicants who are qualified and have expressed an interest in working for the business. Safety regulations and office newsletters are not personnel records, although businesses usually keep copies of them. Payroll stubs are attached to employees' paychecks and are meant to be receipts for the employees.

SOURCE: HR:359 Maintain human resources records

SOURCE: PeopleHum. (2025). *Personnel records*. Retrieved October 20, 2025, from <https://www.peoplehum.com/glossary/personnel-records>

90. D

Evaluation criteria. Before assessing employee performance, businesses need to develop evaluation criteria which are the standards or behaviors that will be assessed. Businesses often develop specific criteria such as attendance, attitude, productivity, etc. For example, customer service is important, therefore, an important criterion might be an employee's ability to be friendly and helpful while providing service to customers. Criteria provide the basis for assessing employee performance. Job descriptions are developed before hiring employees to fill certain positions. After an employee's performance has been assessed, a business provides appropriate feedback. Employees who receive good or excellent assessments often are recognized for their performance.

SOURCE: HR:368 Assess employee performance

SOURCE: Cobrief. (2024). *Evaluation criteria. Overview, definition, and example*. Retrieved October 20, 2025, from <https://www.cobrief.app/resources/legal-glossary/evaluation-criteria-overview-definition-and-example/>

91. C

Accepting mobile credit card payments. Businesses have a lot to consider when deciding whether or not to accept credit card payments—and how to accept credit card payments. Mobile credit cards are increasingly popular with the younger, tech-savvy demographic, so the coffee shop should consider accepting mobile credit card payments. Instituting a minimum amount for credit card payments, gathering analytics from credit card payments, and purchasing a receipt printer are not necessarily related to appealing to a young, tech-savvy demographic.

SOURCE: FI:789 Discuss considerations in accepting credit-card payments

SOURCE: Stripe. (2023, January 30). *How to accept mobile credit card payments*. Retrieved October 20, 2025, from <https://stripe.com/resources/more/how-to-accept-mobile-credit-card-payments>

92. B

Needs of the target market. A product extension is an additional product, related to but different than, the main travel product. Before developing product extensions, it is important to consider the wants and needs of the target market. If the target market is not interested in the product extension, there is no reason to develop it. For example, a discount airline that provides inexpensive flights to regional airports probably would not sell expensive, full-course meals to passengers. The meals would be a product extension of the main travel product, which is air transportation. However, the target market, which is travelers who want economical air transportation, would not want or need the expensive meals. The cost of advertising new ideas, attitudes of industry employees, and complexity of the purchasing process are not considerations when developing product extensions in the travel and tourism industry.

SOURCE: PM:099 Explain the nature of product extensions in the hospitality and tourism industry

SOURCE: Heinrich, A. (2025, August 21). *Brand extension strategies that drive market expansion*. Retrieved October 20, 2025, from <https://online.hbs.edu/blog/post/brand-extension>

93. B

Descriptive statistics. Descriptive statistics are numbers that are used to summarize and describe data. Examples of descriptive statistics are mean (the simple mathematical average of a set of numbers), median (the middle number in a sorted list of numbers), and mode (the number occurring most frequently in a set). By analyzing descriptive statistics, marketing and other business managers can see the current state of affairs within the company as well as past performance. Predictive statistics, on the other hand, are used to help forecast future probabilities and trends based on historical data. Researchers use various modeling and statistical techniques to achieve this goal. In this example, Raina is analyzing descriptive statistics, not predictive statistics to aid his decision-making. She is not coding data or studying customer feedback.

SOURCE: NF:236 Explain the use of descriptive statistics in business decision making

SOURCE: Hayes, A. (2025, September 25). *Descriptive statistics: Definition, overview, types, and examples*. Retrieved October 20, 2025, from https://www.investopedia.com/terms/d/descriptive_statistics.asp

94. D

Ensuring resources are used efficiently. Companies need to use their time, money, and material supplies efficiently to stay afloat. Managers direct these resources to the right people and places, making sure they maximize the resources for the benefit of the organization. Telling employees how to use their time is an example of this. It is not an example of providing stability and structure, initiating change smoothly, or motivating employees.

SOURCE: SM:066 Discuss managerial considerations in directing

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

95. D

Primary. Primary data are facts and figures collected specifically for the problem or project at hand. Some ways in which primary data are gathered include observations, focus groups, or surveys. Secondary information comes from data that have already been collected for other purposes. Internal data are found inside a business. Sales data is typically not collected by focus group or observation.

SOURCE: NF:283 Describe methods used to collect hospitality and tourism business information (e.g., observations, mail, telephone, Internet, discussion groups, interviews)

SOURCE: SIS International Research. (2025). *Travel and tourism market research*. Retrieved October 20, 2025, from <https://www.sisinternational.com/expertise/industries/travel-tourism/>

96. B

Identifies, analyzes, and treats risks. Risk management refers to the process of identifying, analyzing, and treating risks. Risk control involves implementing procedures, policies, and automations to reduce risk. Risk control is a type of risk treatment. Risk management uses risk control as a way to treat identified risks. Neither risk management nor risk control aims to increase risk.

SOURCE: RM:058 Discuss the nature of risk control (i.e., internal and external)

SOURCE: ZenGRC. (2024, August 30). *Risk control & risk management: What's the difference?* Retrieved October 20, 2025, from <https://www.zengrc.com/blog/risk-control-risk-management-whats-the-difference/>

97. C

Measuring the success of marketing campaigns. Web analytics allow you to collect data about visitors to your website. One of the benefits of doing so is being able to measure the success of digital marketing campaigns. You can track which campaigns lead to more page views and clicks, which allows you to make smarter marketing decisions in the future. While tracking analytics can help you reduce page bounces, it does not prevent them altogether. Tracking analytics is not necessarily related to discovering new sales tactics. Finally, tracking analytics does not necessarily save money on web hosting costs.

SOURCE: NF:205 Use analytical tracking tools

SOURCE: FasterCapital. (2025, March 31). *The benefits of measuring your marketing campaigns*. Retrieved October 20, 2025, from <https://fastercapital.com/content/The-benefits-of-measuring-your-marketing-campaigns.html>

98. A

A small local coffee shop. In small companies, such as a coffee shop, the owner is more likely to be in charge of pricing. Walmart, Costco, and coffee corporations are all large companies that likely have departments responsible for the pricing function.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

99. A

Compare variables. A chain of hotels might analyze and interpret the marketing information contained in databases in order to compare several variables that change from property to property. For example, one hotel might be located in an affluent suburb while another one is located in an urban area. The chain might analyze the information in its database concerning both communities in order to make appropriate marketing decisions such as the types of services to offer in each location. Although the chain provides the same types of goods and services to both communities, it needs to analyze data in order to know if the consumers in each community have different wants and needs. Before analyzing databases to compare variables, a chain of hotels might survey guests and tabulate the findings. A chain would not analyze databases in order to organize products.

SOURCE: NF:185 Use database for information analysis

SOURCE: Bock, T. (2025, June 19). *How to identify relevant variables for market segmentation*. Retrieved October 20, 2025, from <https://www.qresearchsoftware.com/how-to-identify-relevant-variables-for-market-segmentation>

100. A

To answer questions and solve problems. One way a company can use social media to enhance a customer's post-sale experience is by answering questions or solving problems. Oftentimes, when a customer has a question or concern about a product or service, they will post about it on social media. By responding to these posts to answer a question or solve a problem, a company can gain customer loyalty and improve their post-sale experience. Rather than hiding issues with a product or service, a company can use social media to inform customers about any issues and share their strategy for improving the issues. Companies should not use social media to pressure customers into buying more. Customers typically prefer help and support when it is needed after purchasing a product or service. Pressuring customers into buying more could push them away. Companies should welcome all feedback, even if it is negative. Negative feedback can help a company improve their products and services.

SOURCE: CR:028 Use digital media to enhance customer post-sales experience

SOURCE: Qualtrics. (2025). *What is social media customer service?* Retrieved October 20, 2025, from <https://www.qualtrics.com/experience-management/customer/social-media-customer-service/>