



Competency-Based
Competitive Events
Written Exam
for State/Province Use

Test Number 1260
Booklet Number _____

Hospitality and Tourism Exam

Hotel and Lodging Event

Restaurant and Food Service Management Event

Travel and Tourism Event

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

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1. A company that is being sued is given the opportunity to present evidence to defend itself. This is an aspect of
 - A. legal procedure.
 - B. legislative history.
 - C. personal rights.
 - D. business rules.
2. Ourway Airlines Inc. purchases many smaller airlines to grow its business. Which method is Ourway Airlines using?
 - A. Expansion
 - B. Merger
 - C. Consolidation
 - D. Hybrid structure
3. A passenger on a large commercial aircraft was involuntarily bumped from a flight because the flight was overbooked. What compensation is the passenger entitled to by law if the airline was able to get the passenger to the final destination within one hour of the initial flight?
 - A. None
 - B. Free ticket to anyplace in the 48 contiguous states
 - C. A check equaling the amount of the airline ticket
 - D. Free meals and overnight lodging
4. Great Adventures Travel Agency is preparing a new brochure for its clients that will include the following information: what is included in the package, reservation procedures, deposit and payment schedule, cancellation and refund policy, and the tour operator's limited responsibility and liability. This information is required by the two trade associations serving the tour segment of the travel industry and is known as
 - A. statement of conditions.
 - B. performance bond.
 - C. code of ethics.
 - D. federal regulation.
5. The Houghten Hotel was overbooked and had to turn away an individual with a phone confirmation. Since the Super Bowl was in town, the individual was forced to stay at the only available hotel, which was located in an unsafe part of town. The individual was attacked while sleeping and sued the Houghten Hotel. What is the likely outcome of a lawsuit against the property?
 - A. The individual will not be entitled to damages, because they did not receive a written confirmation.
 - B. The case will be dismissed because the individual was able to find a room elsewhere.
 - C. The property will be required to pay damages to the individual for breaking a legal contract.
 - D. The property will be forced to pay a fine for committing fraud by pretending to have a room available.
6. Under hectic conditions, front desk clerks can provide good service by
 - A. knowing how to organize others.
 - B. having good accounting skills.
 - C. knowing how to avoid problems.
 - D. staying calm during interruptions.
7. A food server who has mixed up an order and brought the wrong menu items is an example of the _____ contributing to customer complaints.
 - A. employee
 - B. consumer
 - C. business
 - D. product
8. The importance of customer service in the hospitality and tourism industry has grown due to
 - A. fewer consumer choices.
 - B. lower prices.
 - C. less frequent travel.
 - D. technology.
9. A passenger is upset with Petra, a flight attendant, because the plane has not taken off and he is worried about being late for an important meeting. Before responding, Petra takes a deep breath, listens to his complaint, and apologizes. Petra is
 - A. deferring to authority.
 - B. solving the problem.
 - C. diffusing the customer's anger.
 - D. avoiding the conflict completely.
10. Which of the following is a good strategy for resolving a customer service issue:
 - A. Keep the conversation in a public space
 - B. Agree with the customer's complaints
 - C. Allow the customer to express their feelings
 - D. Disagree with each negative statement

11. A customer named Orin requests a key for his friend's hotel room so he can set up some birthday decorations. He is upset and frustrated when you tell him only staff members or the assigned guest are allowed entry to a guest's room. Which of the following would be the most favorable way to resolve the situation:
- A. Offer to have a staff member deliver any small gifts or decorations to his friend's room.
 - B. Continue to explain the hotel's policy until Orin understands why you can't allow it.
 - C. Allow Orin to decorate but insist that you must be present to ensure no harm is done.
 - D. Give Orin a key to the room because he is a friend and has no harm in mind.
12. Which of the following is an example of a customer service situation related to fraud:
- A. A company treats customers differently based on their race.
 - B. A customer feels insulted by a server and wants them to be fired.
 - C. A staff member is stealing food from the kitchen.
 - D. A customer lies about the condition of their hotel room to get a discount.
13. Southwest Airlines expects its employees to reinforce the company's brand promise—high-quality customer service—at all times. Which of the following is the most significant aspect of the brand promise for all Southwest employees to remember?
- A. Long-term planning
 - B. Profit maximization
 - C. Ongoing promotion
 - D. Consistent follow-through
14. Reece works for a hotel, and many of his customers are business travelers. When he learns that a customer is traveling for work, he automatically shows them where the hotel's business center is. Reece is
- A. using secondary marketing data.
 - B. making unfair judgments.
 - C. anticipating unspoken customer needs.
 - D. using an aggressive selling tactic.
15. A restaurant has been extremely busy, but it does not have room in the budget to hire more staff to keep up with demand. What is one strategy the restaurant could take to keep customers happy during peaks in demand?
- A. Only accept customers who have a reservation
 - B. Add a consumer-participation option such as a salad bar
 - C. Offer discounts for customers to come back another time
 - D. Expand the restaurant to accommodate more tables
16. Servers at the Mountain Top Cafe often seat customers as well as wait on tables. Unfortunately, the servers are often so busy that they aren't very welcoming or friendly to diners wanting to be seated. Which of the following would help servers focus on their responsibilities as waitstaff while also maintaining high service standards:
- A. Display a menu outside so diners can be self-informed
 - B. Allow guests to seat themselves where they prefer
 - C. Hire a host/hostess to greet and seat the diners instead
 - D. Ask servers to tell customers they don't have time to chat
17. Hailey runs the social media accounts for a restaurant. When she sees a post complaining about the restaurant's service, what should she do?
- A. Reply to the post promptly with an apology and a promise to improve
 - B. Ignore the post so that it will not gain any more attention
 - C. Post a reply denying the accuracy of the customer's complaint
 - D. Flag the post as inappropriate so it will be taken down
18. Opening a restaurant in New York City is more expensive than doing so in a small town in Upstate New York. This is a result of limited
- A. capital goods.
 - B. human resources.
 - C. natural resources.
 - D. consumer goods.
19. Which of the following is a benefit of using the functional organizational structure:
- A. It encourages creativity.
 - B. It reduces the duplication of certain activities.
 - C. It's more flexible than other structures.
 - D. It creates narrow perspectives for managers.

20. One of the primary ways in which hospitality and tourism contribute to economic growth is through
- A. the use of global positioning systems.
 - B. the use of sustainable resources.
 - C. conference space.
 - D. visitor exports.
21. Hospitality businesses have a positive impact on a community's economy because they provide jobs that stimulate
- A. credit ratings.
 - B. consumer spending.
 - C. tax rates.
 - D. local inflation.
22. The two main sources of revenue used to pay the costs of government regulation are
- A. taxpayers and nontaxpayers.
 - B. taxes and borrowing.
 - C. business and labor.
 - D. government and industry.
23. Consumer spending tends to decrease when
- A. an economic recession ends.
 - B. interest rates decrease.
 - C. business activities slow.
 - D. the inflation rate declines.
24. The use of technology such as video conferencing, virtual events, and email allows a business to
- A. improve the richness of conversation.
 - B. develop diverse teams.
 - C. reduce privacy concerns.
 - D. avoid all face-to-face interactions.
25. Which of the following is an example of two individuals working in a collaborative manner:
- A. Lily and Marie combine their skills to create a new window display.
 - B. Shelly informs Dustin that she needs new software installed.
 - C. Joe asks Amy to create some PowerPoint slides based on his notes.
 - D. Cody tells Chelsea that she needs to complete her reports on time.
26. Which of the following activities helps employees build positive political relationships within the workplace:
- A. Getting to know the organization's key managers
 - B. Avoiding coworkers who are difficult to work with
 - C. Expressing personal opinions whenever possible
 - D. Making others feel that their work is unimportant
27. Mikael has a \$20 bill. Although this money is just a piece of paper and not backed up by a reserve, Mikael is still able to buy groceries with it because everyone in his country treats it as currency. This \$20 bill is known as _____ currency.
- A. commodity
 - B. electronic
 - C. fiat
 - D. specie
28. People who are saving for retirement are advised to save enough money to account for inflation because dollars used in the future will have
- A. lower exchange rates.
 - B. higher spending power.
 - C. less spending power.
 - D. higher exchange rates.
29. Brandon is developing a financial plan, and one of his goals is to save enough money to buy a new car in two years. Has Brandon set a SMART goal?
- A. No, his goal is not attainable or results-oriented.
 - B. No, his goal is not specific or measurable.
 - C. Yes, his goal is time-bounded and measurable.
 - D. Yes, his goal is attainable and specific.
30. Rosie is in the process of choosing a financial services provider, but she has so many options that she feels overwhelmed. What is the first step she should take?
- A. Ask the financial services provider how much they charge
 - B. Ask the financial services provider for references
 - C. Ask herself, "What kinds of financial services do I want?"
 - D. Find out what licenses the financial services provider holds

31. Sheila decides to invest some of her money. She doesn't like to take big risks, and she wants to be able to access all of her money at all times. She also doesn't mind not earning much interest. Sheila should invest her money in a
- A. certificate of deposit (CD).
 - B. stock.
 - C. savings account.
 - D. money market account (MMA).
32. Determine a product line's profit in dollars if net sales were \$545,290, and the profit margin was 22%.
- A. \$120,267.60
 - B. \$119,963.80
 - C. \$119,899.80
 - D. \$120,146.60
33. Which of the following is an internal procedure that many businesses use to control cash:
- A. Track dividends paid to owners
 - B. Monitor intangible assets
 - C. Give receipts to all customers
 - D. Evaluate projected budgets
34. Sunny Side Up Cafe is a small, family-owned business in a quiet part of town. The restaurant does not accept credit cards—only cash. Which of the following is the most likely reason for the restaurant to refuse credit cards:
- A. Residents never carry credit cards.
 - B. The business owners are old.
 - C. Credit cards have high processing fees.
 - D. The town restricts use of credit cards.
35. A restaurant has \$8,550.00 in credit card sales for 135 credit card transactions. The following fees are charged for each credit card transaction: \$1.27 to the issuing bank, \$0.10 to the card association, \$0.22 to the acquiring bank, and \$0.20 to payment gateway. What percentage of total credit card sales goes toward fees?
- A. 3%
 - B. 2%
 - C. 1.5%
 - D. 3.5%
36. What might an HR manager do if an employee shows up late for work with no excuse?
- A. Give a verbal warning
 - B. Give a final written warning
 - C. Terminate the employee
 - D. Rewrite the employee handbook
37. What can happen when employees do not respect one another's lifestyles?
- A. An uncomfortable work environment
 - B. Language barriers
 - C. Generational misunderstandings
 - D. An increase in productivity
38. Rita is upset with her employer because she always has to work during important holidays. This is an issue most likely associated with which type of workplace diversity?
- A. Gender
 - B. Religion
 - C. Disability
 - D. Age
39. Communities of practice benefit businesses by
- A. reducing the need for knowledge in decision-making.
 - B. adding value to an individual's professional life.
 - C. decreasing the learning curve for new employees.
 - D. increasing employee turnover rates.
40. Natalie searched for 45 minutes to locate an important file folder, which she found under a pile of papers in an unmarked box that was stored under her desk. What action did Natalie fail to take that would have increased her efficiency and saved the company money?
- A. Staying on task
 - B. Staying organized
 - C. Using supplies wisely
 - D. Observing safety standards
41. What type of market segmentation would be appropriate to use when a hotel targets people who are traveling with their pets?
- A. Behavioral—benefits sought
 - B. Psychographic—social class
 - C. Demographic—gender
 - D. Mass market

42. What technique can help businesses reduce risks associated with software piracy and unauthorized peer-to-peer file sharing via the internet?
- A. Rerouting
 - B. Virtualization
 - C. Encryption
 - D. Multicasting
43. What is a technique that businesses often use to analyze marketing data?
- A. Correlation
 - B. Documentation
 - C. Observation
 - D. Manipulation
44. A marketing researcher classifies elements of a database into several groups that possess similar variables. What method is the researcher using to analyze information?
- A. Cluster
 - B. Fragment
 - C. Semivariance
 - D. Semi-structured
45. Which of the following is an example of a demographic trend:
- A. Rising interest rates
 - B. Shifting political climates
 - C. The aging of the population
 - D. A concern for fitness and health
46. An airline executive wants to know why sales are dropping. They are most likely to need to conduct primary research if
- A. the airline has little money for research.
 - B. no one on their team has the information they need.
 - C. they have already exhausted their secondary research options.
 - D. they have not conducted secondary research yet.
47. Which of the following pieces of data would be most helpful to a restaurant that wants to increase sales:
- A. Twenty percent of customers pay with cash instead of credit cards.
 - B. Customers with reservations spend 25% more than other customers.
 - C. Customers with reservations tip waitstaff 8% more than other customers do.
 - D. Thirty percent of customers dining with small children order split plates.
48. Which of the following is an example of a way that a company can use descriptive statistics to make business decisions:
- A. A hotel owner analyzes customer reviews to determine which manager deserves a promotion.
 - B. An airline determines the average number of empty seats to know whether to cancel a flight.
 - C. A restaurateur studies environmental reports when choosing a city for their new restaurant.
 - D. A travel website analyzes competitors' prices to determine its own pricing strategies.
49. A hotel has increased its annual occupancy rate by 12% for the past six years. Most of the growth is due to a nearby pumpkin festival that occurs each fall. Last year during the festival, the hotel booked 290 of its 300 available rooms. What is the best strategy for the hotel to increase its annual occupancy rate by 12% again this year?
- A. Book all available rooms during the festival
 - B. Increase bookings for the other seasons of the year
 - C. Offer discounted rooms during the festival
 - D. Offer free pumpkin festival tickets with each room
50. Stella works for a cruise line, and she is recommending that the owners add another Alaskan cruise to the yearly schedule. She wants to demonstrate how sales of Alaskan cruises have risen over the past several years. What kind of chart should Stella use to demonstrate this?
- A. Scatter
 - B. Pie
 - C. Column
 - D. Histogram
51. Trends indicate a rise in the number of people who like to bring their dogs with them on vacation. To accommodate this travel trend, there are an increasing number of
- A. boutique pet stores.
 - B. residential dog parks.
 - C. all-inclusive resorts.
 - D. pet-friendly hotels.

52. A hotel guest gives the front desk clerk a credit card to guarantee payment for a room. The clerk uses a credit authorization service to
- A. make a reservation for the guest at the hotel restaurant.
 - B. charge the cost of the entire stay with an additional \$100 for room service.
 - C. determine if the guest has enough available credit to pay for the room.
 - D. create a voucher for the guest that includes the guest's information.
53. Every time a customer pays with a credit card, the employees at Windsor Bar and Grille ask to see identification to
- A. encourage cash payments.
 - B. prevent fraud.
 - C. know whom to charge.
 - D. comply with the law.
54. Before his project begins, Walker decides that he needs to check in with his project team once a day to see what they have accomplished. Walker is
- A. making changes/corrections.
 - B. communicating with stakeholders.
 - C. deciding what to monitor.
 - D. gathering data.
55. Keeping a project's scope in mind during the planning process helps project managers
- A. save time.
 - B. ensure a project's quality.
 - C. avoid all risks.
 - D. earn more money.
56. Which of the following is a primary factor that helps a business determine when it should place another order for a regularly stocked item:
- A. Profit margin
 - B. Reorder point
 - C. Buyer's preferences
 - D. Accounts receivable
57. Sunset Airlines experienced a rare mechanical malfunction with one of its plane's engines and needs to purchase a new part. What type of purchase order would Sunset Airlines likely use?
- A. Blanket purchase order
 - B. Planned purchase order
 - C. Standard purchase order
 - D. Contract purchase order
58. Which of the following are maintenance supplies that a business is likely to keep on hand:
- A. Paper towels, pens, and sportswear
 - B. Batteries, computers, and cleaning items
 - C. Trash bags, sanitizer, and light bulbs
 - D. Mops, furniture, and conveyor belts
59. Which of the following quality-management tools helps managers determine which problems need immediate attention:
- A. Pareto chart
 - B. House of quality matrix
 - C. Statistical quality control
 - D. Cause-and-effect diagram
60. Jackson works for a hotel as a quality-control specialist. In the past, he inspected every hotel room once a week to ensure that the rooms remained clean, attractive, and fully stocked. Lately, however, he has been skipping weekly inspections and only checking the hotel rooms that guests tell him need attention. What mistake is Jackson making?
- A. He is not trusting his housekeeping staff to perform their jobs well.
 - B. He is failing to communicate effectively with the staff he oversees.
 - C. He is not inspecting dirty or unordered hotel rooms thoroughly enough.
 - D. He is being reactive instead of proactive in his quality-control practices.
61. When Kara reviews an invoice from one of her suppliers, she notices an error in the discount amount for the order. Which of the following is the most appropriate action for Kara to take:
- A. File a complaint with the supply company's president
 - B. Pay the invoice now and notify the supplier about the problem later
 - C. Contact the supplier to resolve the discrepancy
 - D. Generate a new invoice with the corrected information

62. Which of the following actions would best help a company protect its social media accounts:
- A. Changing login passwords regularly
 - B. Allowing all employees to view the login info
 - C. Asking all employees to monitor the accounts
 - D. Posting on social media three times a day
63. Riley is working with a design firm on a promotional campaign. The designer gives her a USB drive with some possible layouts to review. To ensure she is protecting the customer data on her computer, Riley should
- A. delete customer information before opening it.
 - B. refuse to open the files.
 - C. scan the drive for viruses before opening it.
 - D. fire the design firm.
64. To lower their risk of inhaling the harmful fumes of cleaning chemicals, hotel housekeeping employees might wear protective
- A. gloves.
 - B. masks.
 - C. nets.
 - D. mouth guards.
65. What can a hotel do to prepare its employees to respond appropriately if the facility experiences a power failure or fire?
- A. Assemble first aid kits
 - B. Provide computer training
 - C. Develop an organizational chart
 - D. Conduct emergency drills
66. To reduce the risks of air-travel terrorism attacks, airports require passengers to
- A. remain seated on airplanes at all times.
 - B. follow security checkpoint procedures.
 - C. fasten their seatbelts during takeoff and landing.
 - D. board the airplane one at a time.
67. Laurel works for an organization that promotes tourism and encourages businesses to hold meetings and trade shows in her hometown. Laurel works for a(n)
- A. travel agency.
 - B. industry trade association.
 - C. convention and visitors bureau.
 - D. tour operator.
68. A business must ensure that it hires employees who possess the appropriate skills to
- A. help the business achieve its organizational goals.
 - B. determine if the business needs to seek additional funding.
 - C. analyze the business's profit margins.
 - D. set the appropriate standards.
69. Zoos, museums, and amusement parks are examples of _____ in the _____ industry.
- A. accommodations; travel
 - B. attractions; recreation
 - C. entertainment; lodging
 - D. events; tourism
70. Before introducing a new product, businesses must first decide if it will be
- A. profitable.
 - B. guaranteed.
 - C. franchised.
 - D. intangible.
71. Product/Service management should be approached from the angle of the
- A. product's technological benefits.
 - B. customer's point of view.
 - C. product itself.
 - D. competition's point of view.
72. A product's sales have been slowly declining over the past year. A superior product was introduced to the market, and now the original product is unable to compete. What process should the product's company carry out?
- A. Product discontinuation
 - B. Commercialization
 - C. Product development
 - D. Prototype creation

73. Which of the following is a disadvantage associated with the addition of a higher-priced product or line to a company's product mix:
- A. Success is difficult to predict.
 - B. It increases market risk.
 - C. It can damage customer goodwill.
 - D. Sales of established products may decline.
74. Which of the following golf-resort product bundles is more likely to be valued by golfers:
- A. A two-night lodging package with a gift basket of gourmet chocolates
 - B. A two-night lodging package that includes two 18-hole rounds of golf
 - C. A one-night stay that includes a gift certificate for an off-site restaurant
 - D. A one-night stay that includes one free spa service
75. Carol would rather have one product but will purchase another one if her favorite item is not available. This is an example of brand
- A. insistence.
 - B. responsiveness.
 - C. preference.
 - D. recognition.
76. Communicating the core values of products is an effective way to
- A. reinforce a business's image.
 - B. explain the price structure.
 - C. analyze the sales operation.
 - D. create a distribution channel.
77. Which of the following is an example of corporate branding:
- A. A cafe develops a logo illustrating its core value of using natural ingredients.
 - B. A cafe advertises its homemade muffins and pastries.
 - C. A restaurant sells tickets to special seven-course meals.
 - D. A restaurant prints its company logo on all of its disposable paper products.
78. Which of the following is the core product of a hotel in the hospitality industry:
- A. Food service
 - B. Entertainment
 - C. Retailing
 - D. Lodging
79. Many hotel companies offer a variety of hotel properties targeted at different types of customers (e.g., luxury, economy, extended-stay, etc.). What do these companies hope to gain by offering diverse lodging options, often with the same or similar brand names?
- A. Free advertising
 - B. Differentiation of specialty hotels
 - C. A broader market appeal
 - D. Reduced competition
80. What technique should be used when evaluating multiple vendors' canned goods to ensure that the evaluators provide unbiased reviews?
- A. Blind testing
 - B. Can-cutting
 - C. Random access
 - D. Sampling
81. The overall goal of promotion for most businesses is to
- A. be relevant.
 - B. be factual.
 - C. increase sales.
 - D. inform salespeople.
82. Which of the following is an example of a promotional activity that allows the customer to try a new good or service without making a purchase:
- A. Premiums
 - B. Visual merchandising
 - C. Sales promotion
 - D. Product sampling
83. Which of the following promotional tools involves coordinating the physical elements in a business so that they stimulate customer purchases:
- A. Sales promotion
 - B. Publicity
 - C. Advertising
 - D. Personal selling
84. A hotel promotes a special weekend rate that includes room and meals. This is an example of
- A. advertising.
 - B. a product sample.
 - C. a package deal.
 - D. suggestion selling.

85. What type of promotional method is often effective when dealing with corporate travel departments and meeting planners?
- A. Personal selling
 - B. Radio advertising
 - C. Award programs
 - D. Public relations
86. Which of the following is a system that focuses on preventing defective products from being created in the first place:
- A. Quality control
 - B. Quality assurance
 - C. Quality improvement
 - D. Quality command
87. If you are implementing change on a wider scale, in which stage of the PDCA (Plan-Do-Check-Act) cycle are you?
- A. Act
 - B. Check
 - C. Plan
 - D. Do
88. To control online transactional risks, a business should consider outsourcing its technology needs when it lacks
- A. internal expertise.
 - B. financial resources.
 - C. secondary data.
 - D. external training.
89. When a company's leaders use its overarching strategies and vision to plan for risk, the company is likely using
- A. managerial accounting.
 - B. marketing-information management.
 - C. enterprise risk management.
 - D. quality management.
90. For a business to continue to exist, it must have something to
- A. invent.
 - B. manufacture.
 - C. sell.
 - D. patent.
91. One way that a hotel targeting convention business could build a loyal clientele is by providing
- A. free samples.
 - B. quality training.
 - C. efficient services.
 - D. promotional materials.
92. Sending a prospective customer a brochure describing the company's services before calling on the customer
- A. creates a poor image of the company.
 - B. can make the salesperson's job easier.
 - C. is usually a waste of postage.
 - D. reduces the salesperson's productivity.
93. Which of the following is a factor that often motivates people to choose a certain travel destination:
- A. Level of maintenance
 - B. Actions of competitors
 - C. Recommendations of friends
 - D. Methods of promotion
94. While Mrs. Atwell was checking into the hotel, the front desk clerk said, "If you are interested, there is an outdoor play called *The Lost Colony* nearby. It is performed every evening during the summer months. We sell tickets here if you would like to attend." This is an example of a
- A. hotel employee providing guided tour information.
 - B. guest inquiring about local festivals and tours.
 - C. hotel employee recommending local attractions.
 - D. guest collecting tour brochures from the lobby display rack.
95. Angela, a travel agent, is helping the Wingates plan their vacation. During their conversation, Angela learns that their hobbies involve reenacting famous war scenes and collecting antiques and artifacts. Based on the information that Angela learned, she might recommend that they go on a
- A. guided tour of historical battlefields and museums.
 - B. seven-day Caribbean cruise.
 - C. two-week safari in Kenya, Africa.
 - D. trip to an exclusive resort located near several casinos.

96. Which of the following is the most important question to ask guests who call to make a hotel reservation:
- A. Do you require an accessible room?
 - B. What is your reason for traveling?
 - C. Do you have any dietary preferences?
 - D. How will you be arriving to the hotel?
97. What do many hotel chains sell that provides the buyers or users with flexibility to make reservations at their convenience?
- A. Spa points
 - B. Gift cards
 - C. Contest passes
 - D. Keyless cards
98. Mr. and Mrs. Walsh ate dinner in the hotel restaurant. Based on the following charges, calculate the amount charged to Mrs. Walsh's credit card: 2 shrimp cocktails at \$12.95 each, 1 prime-rib dinner at \$36.75 each, 1 order of Chicken Alfredo at \$22.50 each, 2 glasses of iced tea at \$2.10 each, and 1 slice of chocolate cake at \$6.95 each. The sales tax rate is 6.75%, and Mrs. Walsh included a tip for the server based on 20% of the entire bill, including tax.
- A. \$138.26
 - B. \$128.33
 - C. \$132.83
 - D. \$123.36
99. Which of the following describes a divisional organizational structure:
- A. Perkins Pottery has creative, production, operations, and sales departments.
 - B. AJK Corporation has a CEO, followed by six vice presidents who manage the company's product lines.
 - C. Tom's company contracts him out to take on various projects.
 - D. A photography business only has three employees: the photographer, assistant, and salesperson.
100. What is a manager doing when they provide an employee with positive feedback and encouragement?
- A. Coordinating
 - B. Planning
 - C. Motivating
 - D. Compensating



KEY

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Travel and Tourism Event

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1. A
Legal procedure. Procedural law controls the workings of courts and the method by which rights are enforced. Legal procedure means that rights must be enforced in court, so the business is guaranteed an opportunity to present evidence to defend itself. This is not because of legislative history, personal rights, or business rules.
SOURCE: BL:070 Describe the nature of legal procedure
SOURCE: Weigend, T., Yeazell, S.C., Hazard, G., & Jescheck, H.H. (2017, January 20). *Procedural law*. Retrieved September 20, 2021, from <https://www.britannica.com/topic/procedural-law>
2. C
Consolidation. Ourway Airlines is acquiring many smaller companies, which is known as consolidation. A merger occurs when two businesses combine to form one company. An expansion occurs when a company sells more shares of stock, reinvests profits into itself, or obtains a bank loan to expand its operations. A hybrid structure is a type of ownership that allows owners to enjoy the advantages of corporations and either sole proprietorships or partnerships.
SOURCE: BL:003 Explain types of business ownership
SOURCE: LAP-BL-003—Own It Your Way (Types of Business Ownership)
3. A
None. Airlines frequently oversell flights to account for no-shows. When this happens, the airline is initially required to ask for volunteers who can take later flights. If no volunteers come forward, the airline can bump passengers from the flight. Airlines determine how to decide who gets bumped. Some airlines seat passengers on a first come, first served basis so that the last passengers to arrive are the ones bumped. Other airlines choose to bump passengers with the cheapest tickets. If the airline can get the bumped passengers to their final destination over one hour but within two hours of the original flight, the airline is required to write a check of up to \$775 for the passengers' inconvenience. If it takes more than two hours to accommodate the bumped passengers on another flight, the airline is required to pay up to \$1,550 for the inconvenience. Some airlines might offer free tickets and free meals to bumped passengers; however, they are not required to do so. Overnight lodging would not be needed, since the bumped passengers arrived at their destination within one hour of the original flight.
SOURCE: BL:135 Describe the rights of customers in the hospitality and tourism industry
SOURCE: United States Department of Transportation. (n.d.). *Bumping & oversales*. Retrieved October 20, 2021, from <https://www.transportation.gov/individuals/aviation-consumer-protection/bumping-oversales>
4. A
Statement of conditions. Tour operators are required to include a statement of terms and conditions in their brochures. It usually appears at the back of the brochure in fine print and should be explained to the client. A performance bond is a type of insurance policy that guarantees payment of any money owed in the event the operator experiences financial problems. A code of ethics is a written statement of responsibility for proper conduct. Federal regulation refers to the role the government plays in overseeing the conduct of an industry. While the federal regulation has diminished, self-regulation has increased.
SOURCE: BL:065 Explain the nature of regulations affecting the hospitality and tourism industry
SOURCE: Greenwood, S. (2020, June 19). *Terms and conditions: Why are they so important?* Retrieved October 20, 2021, from <https://www.farleys.com/terms-and-conditions-why-are-they-so-important/>

5. C

The property will be required to pay damages to the individual for breaking a legal contract. A room reservation is a legal contract that entitles an injured party to compensation when the contract is violated, such as when a property does not follow through with its promise to provide a room. A room reservation does not have to be in writing for it to be considered a contract; therefore, the individual is entitled to receive damages. For a property to be considered fraudulent in the eyes of the court, it is necessary to prove that the property overbooks as a rule, rather than as an exception, when a special event is in town. The ability to find a room elsewhere is not grounds for dismissing a case in which an individual is physically harmed as a result of being turned away by the hotel.

SOURCE: BL:065 Explain the nature of regulations affecting the hospitality and tourism industry

SOURCE: Webster, D. (n.d.). *Chapter 11. Risk management and legal liability*. Retrieved September 20, 2021, from <https://opentextbc.ca/introtourism/chapter/chapter-11-risk-management-and-legal-liability/>

6. D

Staying calm during interruptions. Hotel guests often need your attention as they check in or out, ask questions, and request services. The key to giving good service while handling all this activity is to remain calm during interruptions. It is not possible, or always desirable, to avoid problems. Front desk clerks are not required to have accounting skills or to organize other employees.

SOURCE: CO:114 Handle telephone calls in a businesslike manner

SOURCE: Ward, D. (2017, December 22). *How hospitality professionals keep their cool in high stress situations*. Retrieved September 20, 2021, from <https://www.hcareers.com/article/career-advice/how-hospitality-professionals-keep-their-cool-in-high-stress-situations>

7. A

Employee. Employees can contribute to customer dissatisfaction by being inaccurate and providing unsatisfactory service. Serving the wrong menu items is one way that restaurant employees can cause customers to complain. The product was not at fault even though it was the wrong item. The business was not at fault, because the correct menu items were available. The customer was not at fault, because the desired item was ordered.

SOURCE: CR:010 Handle customer/client complaints

SOURCE: Diaz, M. (2019, September 24). *10 common mistakes waiters make*. Retrieved September 20, 2021, from <https://joinposter.com/en/post/10-common-mistakes-waiters-make>

8. D

Technology. Many apps and websites allow customers to leave reviews and ratings about their experiences. Therefore, customer service has become even more important in hospitality and tourism. Businesses must provide top-notch service to make sure reviews are positive, which keeps business incoming. Lower prices, less frequent travel, and fewer consumer choices have not increased the importance of customer service in the hospitality and tourism industry.

SOURCE: CR:043 Describe customer-service challenges in the hospitality and tourism industry

SOURCE: Astute. (2021). *Key CX challenges facing the hospitality industry*. Retrieved September 17, 2021, from <https://www.astutesolutions.com/industry-insights/hospitality-industry>

9. C

Diffusing the customer's anger. In the hospitality and tourism industry, it is important to know how to resolve conflicts with customers who are unhappy with the service. One of the first steps is diffusing anger because it is difficult to resolve conflict when one or more parties is angry. Petra is diffusing anger by remaining calm, listening, and expressing sympathy. In this example, Petra is not solving the problem, deferring to authority, or avoiding the conflict completely.

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

SOURCE: Customer Traac. (2019). *How to deal with angry customers and diffuse the situation*. Retrieved September 17, 2021, from <https://customertraac.com/diffuse-angry-customers/>

10. C

Allow the customer to express their feelings. Sometimes, frustrated customers want to complain and release anger. Allowing them to express their feelings might help them calm down and make a resolution more likely. Agreeing with a customer's complaints is not a good idea, because it undermines the authority of the company. Keeping the conversation in a public space is not a good idea, because other employees or customers might hear the conversation, which could damage morale and reputation. Finally, disagreeing with each negative statement is likely to upset the customer rather than help resolve the conflict.

SOURCE: CR:046 Determine strategies for resolving customer-service situations

SOURCE: Geraghty, S. (2018, February 22). *12 conflict resolution tips for excellent customer service*. Retrieved September 17, 2021, from <https://www.talkdesk.com/blog/12-conflict-resolution-tips-for-excellent-customer-service-2/>

11. A

Offer to have a staff member deliver any small gifts or decorations to his friend's room. Offering to deliver gifts or decorations does not break hotel policy and is an accommodating gesture that will give Orin a favorable view of the hotel. Continuing to explain the hotel's policy does little to resolve the situation and is likely to frustrate Orin and give him a poor opinion of the hotel. Allowing Orin access to the room, with or without your presence, breaks hotel policy and puts the guests, the staff, and the hotel at risk.

SOURCE: CR:047 Resolve sensitive/dangerous customer-service situations

SOURCE: Institute of Hospitality. (2019, November 21). *How to manage workplace conflict with ease*. Retrieved October 20, 2021, from <https://www.instituteofhospitality.org/how-to-manage-workplace-conflict-with-ease/>

12. D

A customer lies about the condition of their hotel room to get a discount. Sometimes, customers will act fraudulently for personal gain, which can cause customer service issues. Customers who lie about the quality of their experiences to get discounts are committing fraud. Feeling insulted and wanting an employee fired is not necessarily related to fraud. Staff members stealing food from the kitchen and companies treating customers differently based on their race are not customer service situations related to fraud.

SOURCE: CR:048 Resolve compromising/fraudulent customer-service situations

SOURCE: Astute. (2019, April 1). *Goodwill abuse: How customer fraud can cost you big*. Retrieved October 20, 2021, from <https://www.astutesolutions.com/blog/articles/goodwill-abuse-how-customer-fraud-can-cost-you-big>

13. D

Consistent follow-through. A brand promise is a company's agreement, spoken or unspoken, with customers that it will meet their expectations and deliver on its brand characteristics and values. A company must follow through by performing certain actions in consistent ways to fulfill that promise. Both long- and short-term planning can help the company develop strategies to carry out the brand promise; however, unless the strategies are carried out consistently, the planning efforts are useless. Ongoing promotion helps maintain brand awareness, but it does not fulfill the company's commitment to the customer through product quality, service, etc. The company's profits involve setting internal goals rather than carrying out promises made to customers.

SOURCE: CR:001 Identify company's brand promise

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

14. C

Anticipating unspoken customer needs. A great way to provide excellent customer service is to anticipate what a customer needs before they even say so. Looking for patterns in customer buying habits can help employees anticipate customer needs. Reece knows that business travelers tend to need access to printing, scanning, and photocopying, so he can anticipate that need before the customer says anything. Reece is not making unfair judgments, using secondary marketing data, or using an aggressive selling tactic.

SOURCE: CR:053 Anticipate unspoken customer needs

SOURCE: Quiq. (2021). *How to anticipate customer needs and improve customer service*. Retrieved September 17, 2021, from <https://quiq.com/blog/how-anticipating-customer-needs-can-improve-customer-service/>

15. B

Add a consumer-participation option such as a salad bar. One way that restaurants can manage high demand without hiring staff is by including a consumer-participation option such as a salad bar. This eliminates time spent on preparing and serving salads, as well as keeping customers busy. Only accepting customers who have a reservation might not help, because the restaurant will still be busy without enough staff to handle demand. Offering discounts for customers to come back another time is a strategy to shift demand, not necessarily to manage customer experience during peaks in demand. Expanding the restaurant to accommodate more tables is a strategy to be able to handle more customers, but it does not solve the issue if the restaurant cannot hire more staff.

SOURCE: CR:038 Identify strategies to manage customer experience during peaks in demand

SOURCE: Hall, M. (2021, July 29). *Is demand or supply more important to the economy?* Retrieved September 17, 2021, from <https://www.investopedia.com/ask/answers/040815/demand-or-supply-more-important-economy.asp>

16. C

Hire a host/hostess to greet and seat the diners instead. Rather than expecting the servers to do what are essentially two different jobs, waiting on tables as well as acting as hosts or hostesses, the restaurant should hire a host/hostess instead. The host or hostess could greet diners, interact with them, seat them, and share information about menu specials. Allowing guests to seat themselves does not meet high service standards and can cause confusion among waitstaff. Displaying a menu outside does not eliminate the need to interact with customers. Telling customers there's no time to chat creates a rude and unwelcoming atmosphere that does not achieve high service standards.

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

SOURCE: LaMarco, N. (2018, November 27). *Restaurant service procedures*. Retrieved September 17, 2021, from <https://smallbusiness.chron.com/restaurant-service-procedures-58941.html>

17. A

Reply to the post promptly with an apology and a promise to improve. When customers complain about a brand on social media, it is important to address them, as ignoring them makes it appear that the company does not care about its customers. After a customer has posted about a less-than-satisfactory experience, Hailey should try to appease that customer to repair the relationship and show that the restaurant is improving upon its flaws. Ignoring the post, denying the customer's complaint, or flagging the post as inappropriate will not improve relationships with customers and will make the restaurant appear unsympathetic and/or dishonest.

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

SOURCE: Horton, C. (2021, August 9). *How to respond to negative reviews online*. Retrieved September 17, 2021, from <https://www.brightlocal.com/blog/how-to-respond-to-negative-reviews/>

18. C

Natural resources. In a highly populated area like New York City, land is more limited than in a small town, so people are willing to pay more to use the land. In a small town, the land is less limited, so it is less expensive. Human resources, capital goods, and consumer goods are not necessarily more or less limited in either New York City or a small town.

SOURCE: EC:003 Explain the concept of economic resources

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

19. B

It reduces the duplication of certain activities. An advantage of using the functional organizational structure is that it reduces the duplication of certain activities. The organization has just one department creating advertising campaigns, one department balancing the company budget, one department fielding customer complaints, etc. The functional structure does not encourage creativity as the divisional structure does. It is less flexible than other structures. Its inflexibility and creation of narrow perspectives for managers are disadvantages of the functional structure, not benefits.

SOURCE: EC:103 Explain the organizational design of businesses

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

20. D

Visitor exports. When travelers journey to a foreign country, the money that they spend there is categorized as visitor exports. Visitor exports include purchases that foreign travelers make from hospitality and tourism businesses as well as those that they make from businesses outside the hospitality and tourism industry. Although hospitality and tourism businesses are encouraged to use sustainable resources, their use does not contribute to economic growth. Provision of conference space is a first step in getting groups to visit an area, but conference spaces do not in and of themselves create economic growth. Global positioning systems help determine how to get to and from locations. They do not impact economic growth.

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

SOURCE: Yehia, Y. (2019, March 26). *The importance of tourism on economies and businesses*. Retrieved September 17, 2021, from <https://globaledge.msu.edu/blog/post/55748/the-importance-of-tourism-on-economies-a>

21. B

Consumer spending. When community members have jobs, they have money to spend, which helps fuel the local economy. Providing jobs does not stimulate local inflation or credit ratings. The government sets the tax rate.

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

SOURCE: Cumberland Area Economic Development Corporation. (2021, April 5). *The economic impact of tourism and hospitality*. Retrieved October 20, 2021, from <https://cumberlandbusiness.com/news/the-economic-impact-of-tourism-and-hospitality/>

22. B

Taxes and borrowing. Government collects taxes from taxpayers to pay the costs of regulating business and providing services. The taxes collected are not sufficient to cover government expenses. This makes government borrowing necessary. Nontaxpayers don't provide money to government. Business, labor, and industry are types of taxpayers.

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

SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)

23. C

Business activities slow. When business activities slow, businesses produce fewer goods and services. A decline in production often leads to facility closings and employee layoffs. When people are unemployed, they are not earning an income, so consumer spending tends to decrease. When business activities decline over several months, it typically indicates the beginning of an economic recession. Businesses are more likely to expand when interest rates decrease because it is less expensive to obtain loans. When the inflation rate stabilizes, the prices of goods and services are not increasing as quickly, which may boost consumer spending.

SOURCE: EC:081 Discuss the measure of consumer spending as an economic indicator

SOURCE: Amadeo, K. (2020, September 27). *Consumer spending and its impact on the economy*. Retrieved September 20, 2021, from <https://www.thebalance.com/consumer-spending-definition-and-determinants-3305917>

24. B

Develop diverse teams. Electronic communication tools have increased businesses' ability to work with a wide range of people from across the globe. Diverse groups of people can come together to provide broader perspectives. Technology does not necessarily improve the richness of conversation, because face-to-face conversation is still the richest form of communication. Technology also increases privacy concerns, rather than reducing them, as people use electronic means to share information. Finally, the use of technology does not mean that businesses can avoid all face-to-face interactions, because they are still important to building business relationships.

SOURCE: EC:111 Describe the impact of electronic communication tools (e.g., Internet, video- and computer-conferencing, webcasts, email) on global business activities

SOURCE: Picincu, A. (2020, July 8). *The importance of electronic communication in workplace collaboration*. Retrieved September 20, 2021, from <https://work.chron.com/importance-electronic-communication-workplace-collaboration-4081.html>

25. A

Lily and Marie combine their skills to create a new window display. Typically, two people working together to perform and accomplish a task are working collaboratively. People making requests or telling others what they need to accomplish are not examples of people working in a collaborative way.

SOURCE: EI:130 Collaborate with others

SOURCE: LAP-EI-130—Genius Is a Team Sport (Collaborating With Others)

26. A

Getting to know the organization's key managers. If an employee has the ability to influence other workers' opinions or actions within the company, the employee is fostering political relationships. Building positive political relationships in the workplace begins by showing a sincere interest in the company, employees, and managers and by recognizing their importance to the organization. An honest, dependable employee who is willing to network and work with others—including difficult coworkers—can facilitate a positive working environment, which helps the employee gain a positive reputation. This, in turn, helps the employee use their reputation to influence organizational decision-making. A wise "political player" does not express personal opinions whenever possible. To do so may offend important people within the organization.

SOURCE: EI:034 Explain the impact of political relationships within an organization

SOURCE: Janin, A. (2021, March 11). *How to build positive relationships at work*. Retrieved September 22, 2021, from <https://www.wsj.com/articles/how-to-build-meaningful-workplace-relationships-11605294163>

27. C

Fiat. Fiat currency is money that doesn't have intrinsic value and is not backed by reserves. Fiat currency is only valuable as long as people have faith that it will continue to be used in the future. Electronic currency is money that exists only in electronic format. Commodity money is currency that has value other than its value as money (for example, gold or silver). Mikael's \$20 bill is just made of paper, which is essentially worthless on its own, so it is not commodity money. Specie is a term used for coins, and Mikael is using paper money.

SOURCE: FI:059 Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.)

SOURCE: Chen, J. (2021, September 9). *Fiat money*. Retrieved September 20, 2021, from <https://www.investopedia.com/terms/f/fiatmoney.asp>

28. C

Less spending power. The time value of money is the concept that dollars received in the future will be worth less than a dollar received today because of the impact of inflation. Exchange rates rise and fall and refer to the transfer of one currency into another.

SOURCE: FI:062 Explain the time value of money

SOURCE: Fernando, J. (2021, September 3). *Time value of money (TVM)*. Retrieved September 20, 2021, from <https://www.investopedia.com/terms/t/timevalueofmoney.asp>

29. B

No, his goal is not specific or measurable. A financial goal is a short- or long-term objective that is measured in terms of money. Effective financial goals are SMART goals—specific, measurable, attainable, results-oriented, and time-bounded. The goal is time-bounded because Brandon wants to save money to buy a car two years from now. It is results-oriented because Brandon will have something to show for his effort in two years—a car. However, the goal is not specific or measurable, because Brandon has not indicated how much he wants to save for the car. Also, Brandon has not indicated how he plans to save for the car, such as placing 15% of his weekly paycheck in a special savings account. There is not enough information to determine if the goal is attainable, because it is not specific.

SOURCE: FI:065 Set financial goals

SOURCE: Eby, K. (2019, January 9). *The essential guide to writing SMART goals*. Retrieved September 20, 2021, from <https://www.smartsheet.com/blog/essential-guide-writing-smart-goals>

30. C

Ask herself, "What kinds of financial services do I want?" The first thing Rosie should do when selecting a financial services provider is ask herself what kinds of financial services she wants. This will help her narrow down her focus. When she has an idea of what she wants out of a financial services provider, she can ask about references, charges, and licenses.

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

SOURCE: Coombes, A., & Benson, A. (2021, September 3). *How to choose a financial advisor*.

Retrieved September 20, 2021, from <https://www.nerdwallet.com/article/investing/how-to-choose-a-financial-advisor>

31. C

Savings account. If Sheila doesn't like to take risks, wants to access all of her money at all times, and doesn't mind earning very little interest, she should consider a savings account. You're always able to access your money, but you receive a low return. A stock is much riskier than a savings account—you actually own part of the company, so you have the rights and responsibilities that go along with ownership. This means you can make a big profit, but you can also lose a large amount of money if the stock decreases in value or if the company goes out of business. While a certificate of deposit (CD) doesn't have a high risk, you aren't able to access your money at all for a set period of time. A money market account (MMA) is low risk, but you are only able to access some of your money each month, and you usually have to keep a certain amount of money in your account.

SOURCE: FI:077 Explain types of investments

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

32. B

\$119,963.80. Businesses regularly monitor the profitability of their product lines to determine how well they are doing and if changes need to be made. To determine the amount of profit the product line earned, multiply the net sales by the profit margin ($\$545,290 \times 22\%$ [or $.22$] = $\$119,963.80$).

SOURCE: FI:322 Determine product-line profitability

SOURCE: Amadeo, K. (2020, November 23). *The 3 types of profit margins and what they tell you*.

Retrieved October 20, 2021, from <https://www.thebalance.com/profit-margin-types-calculation-3305879>

33. C

Give receipts to all customers. Most businesses use a variety of procedures to control cash. One of these is to train employees how to use the cash register and require that they ring up each sale on the register and give receipts to all customers. When an employee rings up a sale, the register automatically records the sale and prints a customer receipt. This procedure helps control cash because it reduces the possibility of employees accepting payment from customers without recording the sale and issuing a receipt. Monitoring intangible assets, tracking dividends paid to owners, and evaluating projected budgets are not internal procedures that many businesses use to control cash.

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

SOURCE: Chron. (2021, April 8). *Internal control procedures for the receipt of cash*. Retrieved September 17, 2021, from <https://work.chron.com/internal-control-procedures-receipt-cash-6735.html>

34. C

Credit cards have high processing fees. When businesses accept credit cards, they are required to give some of the money from each sale they make to several third parties—such as the card provider, the banks that are involved, and various credit card associations. These processing fees can sometimes make accepting credit cards too expensive for small businesses that sell inexpensive items like breakfast foods. It is unlikely that the cafe decided to refuse credit cards because the owners are old, because residents never carry credit cards, or due to town restrictions.

SOURCE: FI:790 Calculate credit-card processing costs

SOURCE: Resendiz, J. (2021, September 9). *Credit card processing fees and costs*. Retrieved October 20, 2021, from <https://www.valuepenguin.com/what-credit-card-processing-fees-costs>

35. A

3%. Credit card processing is not free. Instead, businesses typically must pay a specific portion or percentage of its credit card revenue to several different organizations, including the issuing bank, card association, acquiring bank, and payment gateway. To determine what percentage of total credit card sales goes toward fees, first total the amount of fees charged for each transaction ($\$1.27 + 0.10 + 0.22 + 0.20 = \1.79). Then, calculate the total amount of credit card fees paid by multiplying the cost for each transaction by the number of credit card transactions ($\$1.79 \times 135 = \241.65). Finally, calculate the percentage of total credit card sales that goes toward fees by dividing the total credit card fees by the total credit card sales ($\$241.65 / \$8,550.00 = 0.03 = 3\%$).

SOURCE: FI:790 Calculate credit-card processing costs

SOURCE: Fiserv. (2021). *How credit card processing works*. Retrieved September 17, 2021, from <https://merchants.fiserv.com/en-us/resources/credit-card-processing/>

36. A

Give a verbal warning. HR managers must sometimes take disciplinary action if an employee has acted in an inappropriate manner. If an employee shows up late for work, the manager might give a verbal warning so the employee knows that punctuality is important. A final written warning or termination would not be appropriate actions to take if it is the first time that the employee has shown up late. Finally, there is no indication that the employee handbook needs to be rewritten.

SOURCE: HR:452 Explain labor-relations issues

SOURCE: Picincu, A. (2019, March 16). *Examples of employee relations issues*. Retrieved October 20, 2021, from <http://smallbusiness.chron.com/examples-employee-relations-issues-11538.html>

37. A

An uncomfortable work environment. Sometimes, employees do not respect each other's lifestyles and discriminate against each other because of them. When this occurs, employees might experience an uncomfortable work environment. This can damage productivity. Language barriers are a result of ethnic or cultural differences rather than differences in lifestyles. Generational misunderstandings are not a result of disrespecting lifestyle choices.

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

SOURCE: Renee, M. (2019, March 6). *Top 10 diversity issues at work*. Retrieved September 17, 2021, from <https://smallbusiness.chron.com/top-10-diversity-issues-work-24939.html>

38. B

Religion. One issue associated with religious diversity is that different religions celebrate different holidays. If Rita has to work during her most important holidays, it is likely that her employer does not have a policy that accommodates religious diversity. Working during important 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. (2016, October 26). *How to manage religious diversity in the workplace*. Retrieved October 20, 2021, from <https://smallbusiness.chron.com/manage-religious-diversity-workplace-10718.html>

39. C

Decreasing the learning curve for new employees. A community of practice is a group of people who share interest in a subject and meet regularly to improve in that subject area. In the workplace, a community of practice can provide knowledge to new employees so that they can quickly become acclimated to a new position. Communities of practice also add value to professional lives, but this is an individual benefit rather than a benefit for businesses. Communities of practice encourage strategic decision-making that is informed by knowledge, rather than reducing it. Finally, communities of practice increase employee retention, decreasing turnover.

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

SOURCE: Gonçalves, L. (2021, July 3). *Communities of practice, a summary for leaders*. Retrieved September 17, 2021, from <https://luis-goncalves.com/communities-of-practice/>

40. B

Staying organized. Employees can help their employers reach their objectives by working efficiently. To work efficiently, employees should be organized and have a system for keeping track of their work and supplies. Because Natalie's workspace was not organized, she spent a lot of time looking for a file instead of working on something more productive. There is not enough information provided to determine if Natalie has problems staying on task, using supplies wisely, or observing safety standards.

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

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

41. A

Behavioral—benefits sought. A market consists of buyers who differ in one or more ways. By identifying those differences, hospitality and tourism businesses can tailor their marketing efforts to appeal to specific groups. With behavioral segmentation, people are grouped together on the basis of their knowledge, attitude, and use for/response to a product. In this scenario, the group is travelers who have pets with them. This form of behavioral segmentation is based on the product benefits that the group wants—lodging that accepts pets. Psychographic segmentation based on social class divides people into different social classes. Demographic segmentation divides people into groups based on certain variables such as age, gender, race, religion, educational level, or income level. Use of a mass market approach would indicate that the hotel will not be differentiating among its guests and will be using the same marketing strategies with all guests.

SOURCE: MP:035 Identify ways to segment hospitality and tourism markets

SOURCE: Roth, L. (2020, September 30). *How to use behavioral segmentation to improve marketing effectiveness*. Retrieved September 17, 2021, from <https://blog.alex.com/behavioral-segmentation/>

42. C

Encryption. Software piracy and unauthorized file sharing (e.g., of music) are costly to producers. To protect their ownership rights, these businesses often use encryption techniques to minimize these types of issues. Encryption is the process of transforming information into a secret code so that only the recipient can read it. If the recipient tries to pass along the information to others, the others will not be able to access the information. Virtualization involves running multiple operating systems on one machine. Multicasting transmits streaming media to multiple users simultaneously. Rerouting means to changing course or direction.

SOURCE: NF:076 Explain legal issues associated with information management

SOURCE: Federal Trade Commission. (n.d.). Financial institutions and customer information: Complying with the safeguards rule. Retrieved September 20, 2021, from <https://www.ftc.gov/tips-advice/business-center/guidance/financial-institutions-customer-information-complying>

43. A

Correlation. Correlation is a type of analysis that involves comparing the relationship between two variables. It concisely summarizes this relationship in a single number between +1.00 and -1.00. Correlation converts various statistics into numbers that can be easily compared. Documentation involves substantiating a claim with supporting information. Manipulating involves managing a situation for one's own advantage. Observation is a survey technique.

SOURCE: NF:185 Use database for information analysis

SOURCE: Gell, T. (2020, October 26). *What is correlation analysis in market research?* Retrieved October 20, 2021, from <https://www.driveresearch.com/market-research-company-blog/what-is-correlation-analysis-in-market-research/>

44. A

Cluster. The objective of cluster analysis is to classify or group data such as customers or products. Once grouped, the researcher can use the data about customers or products to gain insight regarding target markets. Fragment and semivariance are not terms used to describe marketing-information evaluation methods. Semi-structured is a term used to describe a type of question used in surveys.

SOURCE: NF:185 Use database for information analysis

SOURCE: Optimove. (2021). *Customer segmentation via cluster analysis*. Retrieved September 17, 2021, from <https://www.optimove.com/resources/learning-center/customer-segmentation-via-cluster-analysis>

45. C

The aging of the population. The aging of the population is a demographic trend since it refers to demographic data (age). Shifting political climates is a governmental or political trend. Rising interest rates is an economic trend. A concern for fitness and health is a social/cultural attitude.

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

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

46. C

They have already exhausted their secondary research options. Primary research is that which a person or company generates on their own for their exact needs and purposes. Primary research is generally done when the needed information does not exist yet. Therefore, the airline executive should first do an exhaustive search of secondary sources before deciding to conduct primary research. Even if no one on the executive's team has the information they need, the executive still might not need to conduct primary research because they might be able to use secondary research. If the airline has little money for research, the executive might be better off focusing on secondary research because it is cheaper than primary research.

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

SOURCE: Alchemer. (2018, April 26). *Research methods: How and when to use primary and secondary research*. Retrieved September 17, 2021, from

<https://www.alchemer.com/resources/blog/research-methods-how-and-when-to-use-primary-and-secondary-research/>

47. B

Customers with reservations spend 25% more than other customers. Understanding the relationship between making reservations and spending can help a restaurant focus its sales and promotional efforts on dinner reservations in order to increase sales. Since the tipping of waitstaff, split plates, and payment methods do not increase sales, these data are less helpful.

SOURCE: NF:288 Monitor hospitality and tourism sales data

SOURCE: Andrews, R. (2021, July 14). *How restaurants are using data and analytics to increase profits*. Retrieved September 17, 2021, from <https://restaurant.eatapp.co/blog/restaurant-data-and-analytics-increase-revenue>

48. B

An airline determines the average number of empty seats to know whether to cancel a flight. Descriptive statistics are used to describe basic features of data in a study. An example of a descriptive statistic is average, or mean. Mean can be used to make a business decision such as whether to cancel a flight. There is no indication that the customer reviews, environmental reports, or competitors' prices include descriptive statistics.

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

SOURCE: Hayes, A. (2021, August 3). *Descriptive statistics*. Retrieved September 17, 2021, from https://www.investopedia.com/terms/d/descriptive_statistics.asp

49. B

Increase bookings for the other seasons of the year. Since the hotel was booked near to capacity last year during the pumpkin festival, there is very little opportunity to gain new growth from the festival this year. Therefore, it is more effective and profitable to increase bookings for the other seasons of the year when the hotel has vacant rooms available. Booking all available rooms during the festival will not create any significant increase over last year's occupancy rate. Offering discounted rooms or free festival tickets during a high demand period is ill-advised because it will decrease overall profits.

SOURCE: NF:237 Interpret descriptive statistics for business decision making

SOURCE: Fredericks, L. (2021, February 23). *9 proven strategies to increase hotel occupancy*.

Retrieved October 20, 2021, from <https://www.cvent.com/en/blog/hospitality/increase-hotel-occupancy>

50. C

Column. A column chart shows the differences in individual values vertically. It is useful to show the difference between values in different time periods, such as the rising sales of Alaskan cruises over time. Pie charts show the proportion of each segment to the whole. They are not useful for showing rising sales over time. A scatter chart is used when showing relationships and correlations between variables, rather than rising sales over time. A histogram is used to show frequency distribution, not rising sales over time.

SOURCE: NF:289 Display hospitality and tourism data in charts/graphs or in tables

SOURCE: Metwalli, S. (2020, September 7). *Data visualization 101: How to choose a chart type*. Retrieved September 17, 2021, from <https://towardsdatascience.com/data-visualization-101-how-to-choose-a-chart-type-9b8830e558d6>

51. D

Pet-friendly hotels. Because many people consider pets to be important members of their families, they often prefer to travel with them. Many hotel chains and destination rental properties are beginning to provide pet-friendly accommodations. Some boutique hotels even provide special services to pamper pets such as grooming, spa, and walking services. Many communities are opening dog parks, which tend to attract local residents who need a place for their pets to exercise rather than travelers. All-inclusive resorts are those in which food and beverages are included in the price of the guest's stay. All-inclusive resorts may or may not allow pets on the property.

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

SOURCE: Social Tables. (n.d.). *Why pet-friendly hotels are winning over new customers*. Retrieved September 17, 2021, from <https://www.socialtables.com/blog/hospitality/pet-friendly-hotels/>

52. C

Determine if the guest has enough available credit to pay for the room. Upon check-in, if the guest is paying with a credit card, the clerk will use the information on the credit card to verify that the guest has enough available credit to pay for the room for the entire stay. Even if the guest would prefer to have their credit card charged in advance of their stay, the hotel would not charge the guest for any room service until that service has been ordered by the guest. The clerk would not need any credit card information to make a reservation at the hotel restaurant. Any voucher created at the front desk would not require the addition of any credit card information.

SOURCE: NF:060 Explain ways that technology impacts the hospitality and tourism industry

SOURCE: Warehouse Hotel. (2021, June 24). *Everything you need to know about a hotel's credit card hold*. Retrieved September 17, 2021, from <https://www.warehousehotel.com/manheim/blog/everything-about-hotel-credit-card-holds>

53. B

Prevent fraud. It is important for businesses to prevent and avoid credit card fraud. One way to do so is to compare customers' credit cards to their identification. This ensures that the cards they are using belong to them. Asking to see identification does not encourage cash payments. The employees should know whom to charge without needing to see identification. There is no law that requires employees to see identification when customers pay with credit cards.

SOURCE: OP:653 Identify credit card fraud prevention methods

SOURCE: International Bancard. (2017, March 25). *6 easy ways your business can avoid credit card fraud*. Retrieved September 17, 2021, from <https://startupnation.com/manage-your-business/avoid-credit-card-fraud/>

54. C

Deciding what to monitor. Walker is selecting the specific criteria he wants to monitor during the course of his project and when he will monitor them. This is the first step to monitoring projects and taking corrective actions. Walker is not making changes/corrections, gathering data, or communicating with stakeholders.

SOURCE: OP:520 Monitor projects and take corrective actions

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

55. A

Save time. A project's scope means what it includes—and what it *doesn't* include. Keeping this in mind during the planning process helps project managers save time by avoiding working on tasks that are outside the project's scope. Keeping project scope in mind will not necessarily help project managers ensure a project's quality, help project managers avoid all risks, or help project managers earn more money.

SOURCE: OP:001 Develop project plan

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

56. B

Reorder point. The reorder point is the level of inventory at which the business needs to place a reorder with the vendor to replenish the inventory, which prevents stock-out situations. The business considers the normal demand for the product, its safety stock, and the vendor's lead time to determine the reorder point of a particular item. Profit margin, buyer's preferences, and accounts receivable are not primary factors that a business considers when it determines when to place a reorder for a regularly stocked item.

SOURCE: OP:016 Place orders/reorders

SOURCE: QuickBooks. (2021). *Reorder point formula - Know when to reorder*. Retrieved September 20, 2021, from <https://www.tradegecko.com/learning-center/reorder-point-formula-calculation>

57. C

Standard purchase order. A standard purchase order is used as the need arises, generally for infrequent or one-time purchases. Sunset Airlines is replacing a broken part to deal with a rare mechanical malfunction, rather than ordering mechanical parts on a regular basis, so it is likely to use a standard purchase order. Planned purchase orders are determined in advance and on a regular basis, rather than as needed. Blanket purchase orders involve planning several orders at once, usually for a repetitive purchase. A contract purchase order creates an agreement and terms of supply between a purchaser and a business to form an ongoing relationship. A contract purchase order is not likely to be used for an infrequent purchase such as a new mechanical part for a rare malfunction.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Unleashed. (2019, December 16). *4 types of purchase orders every business needs to know*. Retrieved September 18, 2021, from <https://www.unleashedsoftware.com/blog/managing-procurement-purchase-orders>

58. C

Trash bags, sanitizer, and light bulbs. All types of businesses keep maintenance supplies on hand to ensure that the business is clean and that it runs smoothly. Trash bags, sanitizer, light bulbs, batteries, cleaning items, paper towels, and mops are maintenance items that businesses keep on hand. Pens may be classified as maintenance or office supplies. Computers, conveyer belts, and office furniture are capital goods or equipment that businesses use to operate smoothly. Sportswear items (e.g., shorts, T-shirts) are most likely resale inventory.

SOURCE: OP:336 Discuss types of inventory

SOURCE: Magloff, L. (2016, October 26). *Types of inventory for an organization*. Retrieved September 18, 2021, from <https://smallbusiness.chron.com/types-inventory-organization-14109.html>

59. A

Pareto chart. A Pareto chart is a type of bar graph that helps managers determine which problems should be addressed first. A house of quality matrix is a tool that helps managers determine if a product meets customer needs. Statistical quality control is a group of tools used to evaluate quality and identify problems. A cause-and-effect diagram is a way to identify many potential causes of a problem and to sort them into useful categories.

SOURCE: OP:163 Identify quality-control measures

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

60. D

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

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: Qualityze. (2021). *Proactive vs reactive: Which approach is better to attain quality*. Retrieved September 20, 2021, from <https://www.qualityze.com/proactive-vs-reactive-approach-better-attain-quality/>

61. C

Contact the supplier to resolve the discrepancy. Businesses monitor and track their suppliers' invoices to make sure they are billed correctly. If the business finds a discrepancy (e.g., incorrect discount amount) on the invoice, the business should contact the supplier to make necessary adjustments. In many situations, the supplier will send the business a revised invoice with the correct information. By paying an invoice that is higher than stated in the original purchase order, Kara would be tying up funds that the business could use for other things. If the supplier does not take steps to correct the invoicing error, it might be appropriate to send a complaint to the supply company's president; however, Kara should begin the process by contacting the appropriate supply-company employee (e.g., salesperson). The supplier needs to generate a corrected invoice, not the business itself.

SOURCE: OP:184 Track invoices

SOURCE: Weber, A. (2019, July 9). *5 common invoicing problems and how to solve them*. Retrieved September 18, 2021, from <https://www.supplyon.com/en/blog/how-to-solve-5-common-invoicing-problems/>

62. A

Changing login passwords regularly. By changing login passwords regularly, companies can reduce the risk of hackers or other malicious groups gaining access to their social media accounts. It's not a good idea to allow all employees to view the company's social media login information. The more people have access to login credentials, the greater the chance of sensitive information falling into the wrong hands. Instead of asking all employees to monitor the company's social media accounts, companies should hire specific people to manage social media so that the job isn't neglected by busy, overburdened employees. The frequency of a company's posts does not affect the safety of its social media accounts.

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

SOURCE: Harmon, E. (2017, April 10). *6 tips for keeping your company's social media accounts secure*. Retrieved October 20, 2021, from <http://socialmediaexplorer.com/content-sections/tools-and-tips/6-tips-for-keeping-your-companys-social-media-accounts-secure>

63. C

Scan the drive for viruses before opening it. External devices can carry viruses that can allow customer data to be exposed to threats. Scanning the USB drive for viruses can detect any threats before the data are exposed, protecting private customer information. Refusing to open the files isn't necessarily a reasonable action, because Riley needs to view the files in one way or another. Deleting customer information is not practical, because the information is probably necessary to the company's success. Finally, firing the design firm is an unreasonable response because the firm did not necessarily do anything to warrant such action.

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

SOURCE: Locke, J.T. (n.d.). *How to check a USB for a virus*. Retrieved October 7, 2021, from <https://www.techwalla.com/articles/how-to-check-a-usb-for-a-virus>

64. B

Masks. A ventilation mask, which is placed over the mouth and nose, hinders the risk of lung irritation or damage that might be caused by harmful cleaning chemicals. Gloves protect the hands. Nets and mouth guards do not protect a hotel's housekeeping employees from inhaling vapors.

SOURCE: OP:134 Practice safe and sanitary handling/disposal of wastes/recyclables

SOURCE: Midlab. (2019, June 18). *Storing & handling cleaning chemicals: What you need to know.*

Retrieved September 18, 2021, from <https://www.midlab.com/06/storing-handling-cleaning-chemicals/>

65. D

Conduct emergency drills. Employees who practice evacuations and take part in emergency simulations are likely to respond more calmly when unexpected situations—fires, power failures, natural disasters, and medical issues—occur. Some hotels may use computer presentations to supplement their emergency training programs. An organizational chart is a graphical representation of the flow of authority within an organization. Assembling first aid kits and developing organizational charts are not actions that help employees respond appropriately in emergencies.

SOURCE: OP:119 Handle emergency situations in hospitality and tourism

SOURCE: The Receptionist. (n.d.). *4 tips for conducting workplace emergency drills.* Retrieved September 18, 2021, from <https://thereceptionist.com/blog/4-tips-for-conducting-workplace-emergency-drills/>

66. B

Follow security checkpoint procedures. Due to terrorism threats, airports require passengers to follow several procedures before boarding airplanes. The procedures typically involve baggage searches and electronic body scans to check for potentially deadly items such as explosives, guns, and knives.

Passengers are required to remain seated and wear seatbelts during takeoff and landing for personal safety reasons. While in the air, airlines typically allow passengers to get out of their seats to use the bathroom facilities. Boarding the airplane one person at a time does not reduce the risk of air-travel terrorism attacks, because security measures occur before the passengers board the airplane.

SOURCE: OP:115 Explain security considerations in the hospitality and tourism industry

SOURCE: Transportation Security Administration. (n.d.). *Security screening.* Retrieved September 18, 2021, from <https://www.tsa.gov/travel/security-screening>

67. C

Convention and visitors bureau. The purpose of a convention and visitors bureau (CVB) is to encourage tourism and convince businesses and organizations to hold conventions and trade shows in a particular city or region. Industry trade associations are groups of persons working in the same industry who collaborate to further the industry's interests and goals. Examples of trade associations include the National Restaurant Association and the International Executive Housekeepers Association (IEHA). A travel agency is a privately owned business that sells travel, tour, and hospitality products on behalf of the producers. A tour operator carries out tours.

SOURCE: PD:272 Explain career opportunities in hospitality and tourism

SOURCE: Georgia Association of Convention & Visitors Bureaus. (n.d.). *What is a CVB?* Retrieved September 18, 2021, from <https://www.gacvb.com/what-is-a-cvb->

68. A

Help the business achieve its organizational goals. A business must hire employees who have the skills to carry out the tasks that are needed to achieve its organizational goals. Without the appropriate skills, the business will not run efficiently or compete effectively in the marketplace, which is likely to result in financial losses. Hiring skilled employees will not necessarily help a business determine funding needs or analyze profit margins. Managers, rather than employees, set the business's organizational standards.

SOURCE: PD:255 Ascertain employee's role in meeting organizational goals

SOURCE: Ryba, K. (2021, February 23). *How to align individual, team, and organizational goals for success.* Retrieved September 20, 2021, from <https://www.quantumworkplace.com/future-of-work/how-to-align-organizational-goals>

69. B

Attractions; recreation. The hospitality industry provides services to people who are away from home. The recreation industry, which is a segment of the hospitality industry, provides services designed to provide rest, relaxation, and enjoyment. Zoos, museums, and amusement parks are attractions that are designed to provide visitors with enjoyment. Entertainment businesses, which are also a part of the recreation industry, include movie theaters, concerts, and plays. The lodging industry consists of businesses (e.g., hotels, motels, and resorts) that provide sleeping accommodations for travelers. Travel businesses (e.g., airlines and car rental companies) provide transportation. The tourism industry consists of businesses (e.g., tour operators, convention planners, and travel agencies) that promote travel for business and leisure. Events are special or planned occurrences and include occasions such as weddings, birthday parties, and fundraisers.

SOURCE: PD:111 Describe the nature of the hospitality and tourism industry

SOURCE: Novak, P. (2017, April 24). *What are the 4 segments of the hospitality industry*. Retrieved September 18, 2021, from <https://www.hospitalitynet.org/opinion/4082318.html>

70. A

Profitable. Before a new product is introduced, companies must determine if there is a market for the product and if there will be sufficient demand for it to generate a profit. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods and services. A guarantee is a promise made by the seller to the consumer that the seller will refund the consumer's purchase price if the product does not perform as expected. Intangible means not capable of being detected through touch.

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

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

71. B

Customer's point of view. Because customers buy benefits as well as the product or service, product/service management must be approached from the customer's point of view. Too often, producers concentrate on the product itself and its technological benefits without taking into consideration the benefits that appeal to the customer. The challenge facing product/service managers is pleasing customers whose wants and needs seem to change constantly. Product/Service managers should monitor competitors' actions and plan products that will effectively compete with those offered by competitors.

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

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

72. A

Product discontinuation. Weak products are those with declining sales and profitability. These products must be discontinued because of their costs to the company. Commercialization is the point at which the product goes into full-scale production, a marketing plan is put in place, service and sales training are conducted, and the product's life cycle begins. Product development is a lengthy step that could take months or even years to finish. During this step, a working model of the product is tested, modified, and retested until the company decides it's ready to hit the market. Companies create prototypes when they are testing a product concept, not when a product is already on the market and unsuccessful.

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

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

73. D

Sales of established products may decline. The addition of higher-quality items to a product mix may cause sales of established products to decline. Disadvantages associated with the use of contraction strategies include increased market risk and loss of customer goodwill. The difficulty of predicting success is a disadvantage associated with an alteration product-mix strategy.

SOURCE: PM:003 Explain the concept of product mix

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

74. B

A two-night lodging package that includes two 18-hole rounds of golf. Resorts often bundle products into packages to provide more value to guests. Golfers are more likely to value a package that gives them the opportunity to golf. Golfers are likely to value a package with nongolf products less than one that includes golf.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Kesavan, S. (2021, March 5). *Product bundling strategy, advantages & examples*. Retrieved October 20, 2021, from <https://www.zoho.com/inventory/guides/what-is-product-bundling.html>

75. C

Preference. Brand preference is the level of brand loyalty in which customers desire one brand over another but will accept substitutes if the brand is not available. Brand insistence is the level of brand loyalty in which customers will accept only one brand. Brand recognition is the level of brand loyalty in which customers are aware of a brand but not necessarily through personal experience. Responsiveness is not a level of brand loyalty.

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)

76. A

Reinforce a business's image. Core values represent the underlying worth of products and the image those products project. The image of products reinforces a business's image. Ideally, the core values of the business and its products should be the same or compatible. For example, exhibiting social responsibility is a core value. Businesses project this value in their products by making products that are safe. Communicating the core value of product safety also reinforces the business's image of being socially responsible. Communicating the core values of products is not an effective way to explain the price structure, analyze the sales operation, or create a distribution channel.

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

SOURCE: Porter, J. (n.d.). *How to communicate product value*. Retrieved September 18, 2021, from <https://mixergy.com/course-cheat-sheet-communicating-product-value/>

77. A

A cafe develops a logo illustrating its core value of using natural ingredients. Branding refers to tactics that establish and promote the identity and unique values of a company and distinguish it from other businesses. Illustrating the use of natural ingredients helps communicate a core business value that distinguishes the cafe from others. Advertising products and selling tickets for special events are examples of a business using promotion. Printing a company logo on disposable paper products helps identify a company, but it does not necessarily help promote its unique values.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: Sisk, A. (2018, June 11). *What is the definition of corporate branding?* Retrieved October 20, 2021, from <https://bizfluent.com/info-7794760-definition-corporate-branding.html>

78. D

Lodging. The core product of a hotel in the hospitality industry is lodging, which involves providing overnight sleeping accommodations for guests. The various segments of the hospitality industry offer a range of accommodations including economy, full-service, and resort. Many properties also offer complementary products, such as entertainment, food service, and retailing; however, the main product is lodging. For example, an economy property that provides rooms is selling only the core product, while a resort that has many restaurants, nightly entertainment, and retail shops is selling the core product as well as complementary products.

SOURCE: PM:081 Explain the concept of product in the hospitality and tourism industry

SOURCE: Reynolds, M. (2019, March 5). *Three categories of the hospitality industry*. Retrieved September 18, 2021, from <https://smallbusiness.chron.com/three-categories-hospitality-industry-58524.html>

79. C

A broader market appeal. The main reason that hotels create new properties targeted at different market segments is to appeal to a broader customer base. Differentiation of new properties is actually more difficult to achieve with multiple properties using the same or similar brand names. While all the hotels bearing a brand name may benefit from advertising, the advertising is still a business expense that must be paid for. Offering a wide selection of hotel properties does not necessarily reduce competition from other hotel chains.

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

SOURCE: Butler, J.M. (2016, September 21). *Hotels - Brand expansion or brand explosion?* Retrieved September 18, 2021, from <https://www.lexology.com/library/detail.aspx?g=6a8a9d81-b6fb-4f92-88e6-4474218564cd>

80. A

Blind testing. To evaluate multiple vendors' canned goods, restaurants can obtain input from cross-functional teams of employees as well as guests. To avoid receiving biased input, use of blind testing is recommended. With this technique, the food items are removed from their cans so that evaluators do not know for which brand they are providing feedback. Can-cutting is an evaluation procedure in which canned goods are opened and their contents compared. This does not ensure unbiased feedback, however. Random access and sampling are research terms and do not apply to product evaluation.

SOURCE: PM:239 Evaluate vendors' goods and services

SOURCE: Kuhn, G. (2020, November 20). *What is blind testing in market research?* Retrieved September 18, 2021, from <https://www.driveresearch.com/market-research-company-blog/what-is-blind-testing-in-market-research-customer-experience-cx-syracuse/>

81. C

Increase sales. Promotion is the communication of information about goods, services, images, and/or ideas to achieve a desired outcome. The most obvious way that businesses benefit from the use of promotion is through increased sales. Promotion should be factual and relevant to the intended audience, but those are characteristics of promotion, not goals. Promotion is intended to inform consumers, but salespeople should know about their company's promotions and be familiar with their content.

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

SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

82. D

Product sampling. When product sampling is used, the customer receives a "free trial" without having to make a purchase. Sales promotion is defined as promotional activities other than advertising, personal selling, and public relations that stimulate consumer purchases. Common sales promotion activities include visual merchandising (displays), fashion shows, coupons, free samples, and premiums. When premiums are used, the customer receives a gift contingent upon the purchase of a good or service.

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

SOURCE: Peekage. (2021, March 15). *Definitive guide about product sampling: Definition, importance, distribution, effectiveness, strategies, techniques, ideas & more.* Retrieved September 18, 2021, from <https://peekage.com/blog/what-is-product-sampling>

83. A

Sales promotion. Sales promotion includes all of the promotional activities other than personal selling, advertising, and publicity that are used to stimulate sales. Sales promotion might include a physical display that encourages customers to buy. Publicity is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual that benefits from or is harmed by it. Advertising is any paid form of nonpersonal presentation of ideas, images, goods, or services. Personal selling is planned, personalized communication intended to influence purchase decisions and enhance future business opportunities.

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

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

84. C

A package deal. This kind of special promotion combines several related items for a discounted price, which encourages guests to spend a weekend in the hotel. A product sample is a small amount of a product given to consumers to encourage purchase of that product. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services. Suggestion selling is a sales technique to increase the customer's purchase by suggesting additional items after the original decision to buy has been made.

SOURCE: PR:082 Explain promotional methods used by the hospitality and tourism industry

SOURCE: Trivago Business Blog. (2018, August 16). *The appeal of a package deal: Hotels drive up room value with special offers*. Retrieved October 20, 2021, from <https://businessblog.trivago.com/packages-special-offers-drive-up-hotel-room-value/>

85. A

Personal selling. Personal selling is the form of promotion that determines client needs and wants and responds through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Personal selling is often effective when dealing with corporate travel departments and meeting planners because it frequently involves meeting personally with those people to discuss their travel needs. Corporate travel departments and meeting planners arrange travel for many people and are interested in obtaining the best service and price. Having personal conversations makes it possible to find out what they need and then offer the services that satisfy those needs. For example, an airline might use personal selling to promote itself as the most efficient and economical carrier for a business whose employees frequently fly across the country. Public relations is a function of business designed to establish good relations between the business and the public. Radio advertising is a promotional method that reaches a general audience rather than corporate travel departments and meeting planners. Award programs are intended to reward loyalty or productivity.

SOURCE: PR:082 Explain promotional methods used by the hospitality and tourism industry

SOURCE: Jerpi, L. (2019, March 6). *Marketing strategies for personal selling*. Retrieved September 18, 2021, from <https://smallbusiness.chron.com/marketing-strategies-personal-selling-46563.html>

86. B

Quality assurance. Quality assurance is an organization-wide system that businesses use to ensure quality standards by preventing defective products from being created in the first place. It includes quality control (inspection), but it is much more than just that. Quality improvement involves an organization's willingness to change and adapt for the purpose of maintaining quality. Quality command is not a common aspect of quality management.

SOURCE: QM:001 Explain the nature of quality management

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

87. A

Act. The PDCA cycle is a tool for continuous improvement. It includes implementing change on a wider scale, which is the final step (Act). The Plan stage includes identifying an opportunity and planning for a change. The Do stage includes implementing the change on a small scale. The Check stage includes using data to analyze the results of the change to determine whether it made a difference.

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

SOURCE: American Society for Quality. (2021). *Continuous improvement*. Retrieved October 20, 2021, from <https://asq.org/quality-resources/continuous-improvement>

88. A

Internal expertise. An important aspect of controlling online risk is making sure that customers' transactions are secure. Online transactions require customers to provide confidential information (e.g., credit card numbers), so businesses must have the technological tools and expertise to prevent unauthorized access to the information. If a business does not have employees with the expertise to work with this technology, the business should consider hiring a consultant or firm that has the knowledge and training to handle its technological needs. Outsourcing requires a business to have the money (financial resources) to pay for the services. Secondary data are facts and figures that have been collected for purposes other than the project at hand.

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

SOURCE: Sunol, H. (2021, March 26). *3 reasons to outsource information technology to attain digitalization*. Retrieved October 20, 2021, from <https://articles.cyzerger.com/reasons-to-outsource-information-technology-to-attain-digitalization>

89. C

Enterprise risk management. Enterprise risk management (ERM) is a comprehensive risk management strategy that attempts to identify potential risks and plan for responding to them. Enterprise risk management should be influenced by a company's overarching strategies and vision. The company is likely not using marketing-information management, managerial accounting, or quality management in this instance.

SOURCE: RM:062 Discuss the nature of enterprise risk management (ERM)

SOURCE: Mansinghka, A. (2021, September 20). *Enterprise risk management framework: 8 core components*. Retrieved October 7, 2021, from <https://www.saviom.com/blog/enterprise-risk-management-framework-core-components/>

90. C

Sell. Selling is important in all industries. Without it, people would not have businesses. For example, if college educators didn't have courses to sell, there would be no need for colleges. Not all businesses manufacture, invent, or patent the products they provide.

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

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

91. C

Efficient services. By offering efficient services, a hotel provides an environment that helps build a loyal clientele. Efficient services make an important contribution to the creation of goodwill and the cultivation of client loyalty. Convention guests usually appreciate the good service they receive from a hotel, which will encourage them to return and to become regular guests. Hotels usually do not offer free samples. The complimentary items provided in rooms are amenities rather than free samples. Hotels do not provide training to guests. Hotels use promotional materials as selling tools to attract guests.

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

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

92. B

Can make the salesperson's job easier. The information provided in the brochure may answer questions that the prospect has about the company. This creates a positive image in the customer's mind and can shorten the selling process for the salesperson. The salesperson's productivity is increased because better use is made of their time. Most company brochures are written to create a good image for the company. The only time it would be a waste of postage to mail them would be when prospective customers had not been carefully chosen.

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

SOURCE: American Psychological Association Services. (2021). *Build your client base with a practice brochure*. Retrieved September 20, 2021, from <https://www.apaservices.org/practice/business/marketing/building/brochure>

93. C

Recommendations of friends. People often rely heavily on the recommendations of friends, relatives, and associates when choosing travel destinations. When friends share information about good experiences on cruise ships or on escorted tours, they often encourage each other to take similar trips. People may assume that they and their friends have similar likes and dislikes and would enjoy the same travel destinations. People usually do not select a destination if their friends had a bad experience and do not recommend it. People are not motivated to choose travel destinations because of the methods of promotion, actions of competitors, or level of maintenance.

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

SOURCE: Windstar Cruises. (2019, April 16). *How to decide where to travel*. Retrieved September 20, 2021, from <https://www.windstarcruises.com/blog/how-to-decide-where-to-travel/>

94. C

Hotel employee recommending local attractions. Front desk employees often tell guests about the area's attractions to encourage tourism, which strengthens the local economy. In the example, the front desk clerk is telling the guest about an outdoor play (attraction) in the area. Therefore, a hotel employee is recommending local attractions. The front desk clerk is not providing guided tour information. There is not enough information provided to determine if the guest asked the front desk clerk about festivals and tours or if the guest collected tour brochures from the lobby display rack.

SOURCE: SE:221 Recommend hospitality and tourism services

SOURCE: Owens, D. (n.d.). *Chapter 6. Entertainment*. Retrieved September 20, 2021, from <https://opentextbc.ca/introtourism/chapter/chapter-6-entertainment/>

95. A

Guided tour of historical battlefields and museums. When making travel recommendations, travel agents often consider their clients' personal interests. Because the Wingates have hobbies that focus on history, a guided tour of historical battlefields and museums is a logical travel recommendation to give the couple. Although they might enjoy a cruise, African safari, or stay at an exclusive resort, there is not enough information provided to determine if these options will appeal to them.

SOURCE: SE:221 Recommend hospitality and tourism services

SOURCE: D'Ambrosio, R. (2016, September 28). *The travel agency proposition: Adding value is key*. Retrieved October 20, 2021, from <https://www.travelmarketreport.com/articles/The-Travel-Agency-Proposition-Adding-Value-Is-Key>

96. A

Do you require an accessible room? When guests call to make a reservation, it is important to find out whether they have any special needs or requests, such as an accessible room. While finding out a guest's reason for traveling, dietary preferences, and transportation plans may be important under some circumstances, they are not as important as making sure the guest's room requirements are met.

SOURCE: SE:477 Process telephone orders in hospitality and tourism

SOURCE: Byrne-Haber, S. (2019, November 22). *Elements of an accessible hotel room*. Retrieved September 20, 2021, from <https://sheribyrynehaber.medium.com/elements-of-an-accessible-hotel-room-fb9fc982d382>

97. B

Gift cards. Gift card sales are an important source of revenue for many types of hospitality businesses. Consumers purchase gift cards for others because the gift recipients can book a reservation where and when they want it, which provides them with flexibility. Hotel chains do not typically sell spa points, contest passes, or keyless cards.

SOURCE: SE:479 Sell gift certificates in hospitality and tourism

SOURCE: Hochberg, E. (2020, December 7). *11 hotel and Airbnb gift cards to give now so they can use for future travel*. Retrieved September 20, 2021, from <https://www.businessinsider.com/best-hotel-airbnb-gift-cards>

98. D

\$123.36. To determine the amount charged to Mrs. Walsh's credit card, begin by calculating the extension price of the multiple items (shrimp cocktail and iced tea) by multiplying the dollar amount of each item by the number of items ordered ($2 \times \$12.95 = \25.90 ; $2 \times \$2.10 = \4.20). Next, add together the extension prices of the shrimp cocktails and the iced teas with the dollar amounts of the rest of the food items ordered ($\$25.90 + \$4.20 + \$36.75 + \$22.50 + \$6.95 = \96.30). Next, multiply the sales tax percentage rate by the total dollar amount of the food and beverages to obtain the total dollar amount due to the hotel restaurant ($\$96.30 \times 106.75\%$ [or 1.0675] = $\$102.80$). Next, multiply the total dollar amount owed to the restaurant by the tip percentage rate to obtain the total dollar amount charged to Mrs. Walsh's credit card ($\$102.80 \times 120\%$ [or 1.20] = $\$123.36$).

SOURCE: SE:329 Process sales transactions (e.g., cash, credit, check)

SOURCE: CK-12. (2021, September 7). *Total bill including tip and tax*. Retrieved September 20, 2021, from https://k12.libretexts.org/Bookshelves/Economics/05%3A_The_Road-map_to_Financial_Security/5.03%3A_CONCEPT-_Total_Bill_Including_Tip_and_Tax

99. B

AJK Corporation has a CEO, followed by six vice presidents who manage the company's product lines. A divisional structure is an organizational design in which the firm is broken down into units according to factors such as product, process, territory, customer type, etc. AJK Corporation is divided by product lines, so it has a divisional structure. Perkins Pottery has a functional structure. There is no indication that Tom's company has a divisional organizational structure. A photography business with only three employees is too small to use a divisional structure.

SOURCE: SM:064 Explain managerial considerations in organizing

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

100. C

Motivating. Directing is the management function of providing guidance to workers and work projects. Directing often involves motivating employees, which is getting employees to strive to achieve management's objectives because they want to achieve them. Managers motivate employees in a variety of ways, including providing positive feedback and encouragement as well as offering attractive compensation packages (salary and benefits). Planning is the management function of deciding what will be done and how it will be accomplished. Coordinating work tasks is an activity in the organizing function of management, which involves setting up the way the business's work will be done.

SOURCE: SM:066 Discuss managerial considerations in directing

SOURCE: Heathfield, S.M. (2021, March 1). *How great managers motivate their employees*. Retrieved September 20, 2021, from <https://www.thebalancecareers.com/how-great-managers-motivate-their-employees-1918772>



KEY

Test Number 1260

Hospitality and Tourism Exam

Hotel and Lodging Event

Restaurant and Food Service Management Event

Travel and Tourism Event

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1. A
Legal procedure. Procedural law controls the workings of courts and the method by which rights are enforced. Legal procedure means that rights must be enforced in court, so the business is guaranteed an opportunity to present evidence to defend itself. This is not because of legislative history, personal rights, or business rules.
SOURCE: BL:070 Describe the nature of legal procedure
SOURCE: Weigend, T., Yeazell, S.C., Hazard, G., & Jescheck, H.H. (2017, January 20). *Procedural law*. Retrieved September 20, 2021, from <https://www.britannica.com/topic/procedural-law>

2. C
Consolidation. Ourway Airlines is acquiring many smaller companies, which is known as consolidation. A merger occurs when two businesses combine to form one company. An expansion occurs when a company sells more shares of stock, reinvests profits into itself, or obtains a bank loan to expand its operations. A hybrid structure is a type of ownership that allows owners to enjoy the advantages of corporations and either sole proprietorships or partnerships.
SOURCE: BL:003 Explain types of business ownership
SOURCE: LAP-BL-003—Own It Your Way (Types of Business Ownership)

3. A
None. Airlines frequently oversell flights to account for no-shows. When this happens, the airline is initially required to ask for volunteers who can take later flights. If no volunteers come forward, the airline can bump passengers from the flight. Airlines determine how to decide who gets bumped. Some airlines seat passengers on a first come, first served basis so that the last passengers to arrive are the ones bumped. Other airlines choose to bump passengers with the cheapest tickets. If the airline can get the bumped passengers to their final destination over one hour but within two hours of the original flight, the airline is required to write a check of up to \$775 for the passengers' inconvenience. If it takes more than two hours to accommodate the bumped passengers on another flight, the airline is required to pay up to \$1,550 for the inconvenience. Some airlines might offer free tickets and free meals to bumped passengers; however, they are not required to do so. Overnight lodging would not be needed, since the bumped passengers arrived at their destination within one hour of the original flight.
SOURCE: BL:135 Describe the rights of customers in the hospitality and tourism industry
SOURCE: United States Department of Transportation. (n.d.). *Bumping & oversales*. Retrieved October 20, 2021, from <https://www.transportation.gov/individuals/aviation-consumer-protection/bumping-oversales>

4. A
Statement of conditions. Tour operators are required to include a statement of terms and conditions in their brochures. It usually appears at the back of the brochure in fine print and should be explained to the client. A performance bond is a type of insurance policy that guarantees payment of any money owed in the event the operator experiences financial problems. A code of ethics is a written statement of responsibility for proper conduct. Federal regulation refers to the role the government plays in overseeing the conduct of an industry. While the federal regulation has diminished, self-regulation has increased.
SOURCE: BL:065 Explain the nature of regulations affecting the hospitality and tourism industry
SOURCE: Greenwood, S. (2020, June 19). *Terms and conditions: Why are they so important?* Retrieved October 20, 2021, from <https://www.farleys.com/terms-and-conditions-why-are-they-so-important/>

5. C

The property will be required to pay damages to the individual for breaking a legal contract. A room reservation is a legal contract that entitles an injured party to compensation when the contract is violated, such as when a property does not follow through with its promise to provide a room. A room reservation does not have to be in writing for it to be considered a contract; therefore, the individual is entitled to receive damages. For a property to be considered fraudulent in the eyes of the court, it is necessary to prove that the property overbooks as a rule, rather than as an exception, when a special event is in town. The ability to find a room elsewhere is not grounds for dismissing a case in which an individual is physically harmed as a result of being turned away by the hotel.

SOURCE: BL:065 Explain the nature of regulations affecting the hospitality and tourism industry

SOURCE: Webster, D. (n.d.). *Chapter 11. Risk management and legal liability*. Retrieved September 20, 2021, from <https://opentextbc.ca/introtourism/chapter/chapter-11-risk-management-and-legal-liability/>

6. D

Staying calm during interruptions. Hotel guests often need your attention as they check in or out, ask questions, and request services. The key to giving good service while handling all this activity is to remain calm during interruptions. It is not possible, or always desirable, to avoid problems. Front desk clerks are not required to have accounting skills or to organize other employees.

SOURCE: CO:114 Handle telephone calls in a businesslike manner

SOURCE: Ward, D. (2017, December 22). *How hospitality professionals keep their cool in high stress situations*. Retrieved September 20, 2021, from <https://www.hcareers.com/article/career-advice/how-hospitality-professionals-keep-their-cool-in-high-stress-situations>

7. A

Employee. Employees can contribute to customer dissatisfaction by being inaccurate and providing unsatisfactory service. Serving the wrong menu items is one way that restaurant employees can cause customers to complain. The product was not at fault even though it was the wrong item. The business was not at fault, because the correct menu items were available. The customer was not at fault, because the desired item was ordered.

SOURCE: CR:010 Handle customer/client complaints

SOURCE: Diaz, M. (2019, September 24). *10 common mistakes waiters make*. Retrieved September 20, 2021, from <https://joinposter.com/en/post/10-common-mistakes-waiters-make>

8. D

Technology. Many apps and websites allow customers to leave reviews and ratings about their experiences. Therefore, customer service has become even more important in hospitality and tourism. Businesses must provide top-notch service to make sure reviews are positive, which keeps business incoming. Lower prices, less frequent travel, and fewer consumer choices have not increased the importance of customer service in the hospitality and tourism industry.

SOURCE: CR:043 Describe customer-service challenges in the hospitality and tourism industry

SOURCE: Astute. (2021). *Key CX challenges facing the hospitality industry*. Retrieved September 17, 2021, from <https://www.astutesolutions.com/industry-insights/hospitality-industry>

9. C

Diffusing the customer's anger. In the hospitality and tourism industry, it is important to know how to resolve conflicts with customers who are unhappy with the service. One of the first steps is diffusing anger because it is difficult to resolve conflict when one or more parties is angry. Petra is diffusing anger by remaining calm, listening, and expressing sympathy. In this example, Petra is not solving the problem, deferring to authority, or avoiding the conflict completely.

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

SOURCE: Customer Traac. (2019). *How to deal with angry customers and diffuse the situation*. Retrieved September 17, 2021, from <https://customertraac.com/diffuse-angry-customers/>

10. C

Allow the customer to express their feelings. Sometimes, frustrated customers want to complain and release anger. Allowing them to express their feelings might help them calm down and make a resolution more likely. Agreeing with a customer's complaints is not a good idea, because it undermines the authority of the company. Keeping the conversation in a public space is not a good idea, because other employees or customers might hear the conversation, which could damage morale and reputation. Finally, disagreeing with each negative statement is likely to upset the customer rather than help resolve the conflict.

SOURCE: CR:046 Determine strategies for resolving customer-service situations

SOURCE: Geraghty, S. (2018, February 22). *12 conflict resolution tips for excellent customer service*. Retrieved September 17, 2021, from <https://www.talkdesk.com/blog/12-conflict-resolution-tips-for-excellent-customer-service-2/>

11. A

Offer to have a staff member deliver any small gifts or decorations to his friend's room. Offering to deliver gifts or decorations does not break hotel policy and is an accommodating gesture that will give Orin a favorable view of the hotel. Continuing to explain the hotel's policy does little to resolve the situation and is likely to frustrate Orin and give him a poor opinion of the hotel. Allowing Orin access to the room, with or without your presence, breaks hotel policy and puts the guests, the staff, and the hotel at risk.

SOURCE: CR:047 Resolve sensitive/dangerous customer-service situations

SOURCE: Institute of Hospitality. (2019, November 21). *How to manage workplace conflict with ease*. Retrieved October 20, 2021, from <https://www.instituteofhospitality.org/how-to-manage-workplace-conflict-with-ease/>

12. D

A customer lies about the condition of their hotel room to get a discount. Sometimes, customers will act fraudulently for personal gain, which can cause customer service issues. Customers who lie about the quality of their experiences to get discounts are committing fraud. Feeling insulted and wanting an employee fired is not necessarily related to fraud. Staff members stealing food from the kitchen and companies treating customers differently based on their race are not customer service situations related to fraud.

SOURCE: CR:048 Resolve compromising/fraudulent customer-service situations

SOURCE: Astute. (2019, April 1). *Goodwill abuse: How customer fraud can cost you big*. Retrieved October 20, 2021, from <https://www.astutesolutions.com/blog/articles/goodwill-abuse-how-customer-fraud-can-cost-you-big>

13. D

Consistent follow-through. A brand promise is a company's agreement, spoken or unspoken, with customers that it will meet their expectations and deliver on its brand characteristics and values. A company must follow through by performing certain actions in consistent ways to fulfill that promise. Both long- and short-term planning can help the company develop strategies to carry out the brand promise; however, unless the strategies are carried out consistently, the planning efforts are useless. Ongoing promotion helps maintain brand awareness, but it does not fulfill the company's commitment to the customer through product quality, service, etc. The company's profits involve setting internal goals rather than carrying out promises made to customers.

SOURCE: CR:001 Identify company's brand promise

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

14. C

Anticipating unspoken customer needs. A great way to provide excellent customer service is to anticipate what a customer needs before they even say so. Looking for patterns in customer buying habits can help employees anticipate customer needs. Reece knows that business travelers tend to need access to printing, scanning, and photocopying, so he can anticipate that need before the customer says anything. Reece is not making unfair judgments, using secondary marketing data, or using an aggressive selling tactic.

SOURCE: CR:053 Anticipate unspoken customer needs

SOURCE: Quiq. (2021). *How to anticipate customer needs and improve customer service*. Retrieved September 17, 2021, from <https://quiq.com/blog/how-anticipating-customer-needs-can-improve-customer-service/>

15. B

Add a consumer-participation option such as a salad bar. One way that restaurants can manage high demand without hiring staff is by including a consumer-participation option such as a salad bar. This eliminates time spent on preparing and serving salads, as well as keeping customers busy. Only accepting customers who have a reservation might not help, because the restaurant will still be busy without enough staff to handle demand. Offering discounts for customers to come back another time is a strategy to shift demand, not necessarily to manage customer experience during peaks in demand. Expanding the restaurant to accommodate more tables is a strategy to be able to handle more customers, but it does not solve the issue if the restaurant cannot hire more staff.

SOURCE: CR:038 Identify strategies to manage customer experience during peaks in demand

SOURCE: Hall, M. (2021, July 29). *Is demand or supply more important to the economy?* Retrieved September 17, 2021, from <https://www.investopedia.com/ask/answers/040815/demand-or-supply-more-important-economy.asp>

16. C

Hire a host/hostess to greet and seat the diners instead. Rather than expecting the servers to do what are essentially two different jobs, waiting on tables as well as acting as hosts or hostesses, the restaurant should hire a host/hostess instead. The host or hostess could greet diners, interact with them, seat them, and share information about menu specials. Allowing guests to seat themselves does not meet high service standards and can cause confusion among waitstaff. Displaying a menu outside does not eliminate the need to interact with customers. Telling customers there's no time to chat creates a rude and unwelcoming atmosphere that does not achieve high service standards.

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

SOURCE: LaMarco, N. (2018, November 27). *Restaurant service procedures*. Retrieved September 17, 2021, from <https://smallbusiness.chron.com/restaurant-service-procedures-58941.html>

17. A

Reply to the post promptly with an apology and a promise to improve. When customers complain about a brand on social media, it is important to address them, as ignoring them makes it appear that the company does not care about its customers. After a customer has posted about a less-than-satisfactory experience, Hailey should try to appease that customer to repair the relationship and show that the restaurant is improving upon its flaws. Ignoring the post, denying the customer's complaint, or flagging the post as inappropriate will not improve relationships with customers and will make the restaurant appear unsympathetic and/or dishonest.

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

SOURCE: Horton, C. (2021, August 9). *How to respond to negative reviews online*. Retrieved September 17, 2021, from <https://www.brightlocal.com/blog/how-to-respond-to-negative-reviews/>

18. C

Natural resources. In a highly populated area like New York City, land is more limited than in a small town, so people are willing to pay more to use the land. In a small town, the land is less limited, so it is less expensive. Human resources, capital goods, and consumer goods are not necessarily more or less limited in either New York City or a small town.

SOURCE: EC:003 Explain the concept of economic resources

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

19. B

It reduces the duplication of certain activities. An advantage of using the functional organizational structure is that it reduces the duplication of certain activities. The organization has just one department creating advertising campaigns, one department balancing the company budget, one department fielding customer complaints, etc. The functional structure does not encourage creativity as the divisional structure does. It is less flexible than other structures. Its inflexibility and creation of narrow perspectives for managers are disadvantages of the functional structure, not benefits.

SOURCE: EC:103 Explain the organizational design of businesses

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

20. D

Visitor exports. When travelers journey to a foreign country, the money that they spend there is categorized as visitor exports. Visitor exports include purchases that foreign travelers make from hospitality and tourism businesses as well as those that they make from businesses outside the hospitality and tourism industry. Although hospitality and tourism businesses are encouraged to use sustainable resources, their use does not contribute to economic growth. Provision of conference space is a first step in getting groups to visit an area, but conference spaces do not in and of themselves create economic growth. Global positioning systems help determine how to get to and from locations. They do not impact economic growth.

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

SOURCE: Yehia, Y. (2019, March 26). *The importance of tourism on economies and businesses*. Retrieved September 17, 2021, from <https://globaledge.msu.edu/blog/post/55748/the-importance-of-tourism-on-economies-a>

21. B

Consumer spending. When community members have jobs, they have money to spend, which helps fuel the local economy. Providing jobs does not stimulate local inflation or credit ratings. The government sets the tax rate.

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

SOURCE: Cumberland Area Economic Development Corporation. (2021, April 5). *The economic impact of tourism and hospitality*. Retrieved October 20, 2021, from <https://cumberlandbusiness.com/news/the-economic-impact-of-tourism-and-hospitality/>

22. B

Taxes and borrowing. Government collects taxes from taxpayers to pay the costs of regulating business and providing services. The taxes collected are not sufficient to cover government expenses. This makes government borrowing necessary. Nontaxpayers don't provide money to government. Business, labor, and industry are types of taxpayers.

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

SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)

23. C

Business activities slow. When business activities slow, businesses produce fewer goods and services. A decline in production often leads to facility closings and employee layoffs. When people are unemployed, they are not earning an income, so consumer spending tends to decrease. When business activities decline over several months, it typically indicates the beginning of an economic recession. Businesses are more likely to expand when interest rates decrease because it is less expensive to obtain loans. When the inflation rate stabilizes, the prices of goods and services are not increasing as quickly, which may boost consumer spending.

SOURCE: EC:081 Discuss the measure of consumer spending as an economic indicator

SOURCE: Amadeo, K. (2020, September 27). *Consumer spending and its impact on the economy*. Retrieved September 20, 2021, from <https://www.thebalance.com/consumer-spending-definition-and-determinants-3305917>

24. B

Develop diverse teams. Electronic communication tools have increased businesses' ability to work with a wide range of people from across the globe. Diverse groups of people can come together to provide broader perspectives. Technology does not necessarily improve the richness of conversation, because face-to-face conversation is still the richest form of communication. Technology also increases privacy concerns, rather than reducing them, as people use electronic means to share information. Finally, the use of technology does not mean that businesses can avoid all face-to-face interactions, because they are still important to building business relationships.

SOURCE: EC:111 Describe the impact of electronic communication tools (e.g., Internet, video- and computer-conferencing, webcasts, email) on global business activities

SOURCE: Picincu, A. (2020, July 8). *The importance of electronic communication in workplace collaboration*. Retrieved September 20, 2021, from <https://work.chron.com/importance-electronic-communication-workplace-collaboration-4081.html>

25. A

Lily and Marie combine their skills to create a new window display. Typically, two people working together to perform and accomplish a task are working collaboratively. People making requests or telling others what they need to accomplish are not examples of people working in a collaborative way.

SOURCE: EI:130 Collaborate with others

SOURCE: LAP-EI-130—Genius Is a Team Sport (Collaborating With Others)

26. A

Getting to know the organization's key managers. If an employee has the ability to influence other workers' opinions or actions within the company, the employee is fostering political relationships. Building positive political relationships in the workplace begins by showing a sincere interest in the company, employees, and managers and by recognizing their importance to the organization. An honest, dependable employee who is willing to network and work with others—including difficult coworkers—can facilitate a positive working environment, which helps the employee gain a positive reputation. This, in turn, helps the employee use their reputation to influence organizational decision-making. A wise "political player" does not express personal opinions whenever possible. To do so may offend important people within the organization.

SOURCE: EI:034 Explain the impact of political relationships within an organization

SOURCE: Janin, A. (2021, March 11). *How to build positive relationships at work*. Retrieved September 22, 2021, from <https://www.wsj.com/articles/how-to-build-meaningful-workplace-relationships-11605294163>

27. C

Fiat. Fiat currency is money that doesn't have intrinsic value and is not backed by reserves. Fiat currency is only valuable as long as people have faith that it will continue to be used in the future. Electronic currency is money that exists only in electronic format. Commodity money is currency that has value other than its value as money (for example, gold or silver). Mikael's \$20 bill is just made of paper, which is essentially worthless on its own, so it is not commodity money. Specie is a term used for coins, and Mikael is using paper money.

SOURCE: FI:059 Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.)

SOURCE: Chen, J. (2021, September 9). *Fiat money*. Retrieved September 20, 2021, from <https://www.investopedia.com/terms/f/fiatmoney.asp>

28. C

Less spending power. The time value of money is the concept that dollars received in the future will be worth less than a dollar received today because of the impact of inflation. Exchange rates rise and fall and refer to the transfer of one currency into another.

SOURCE: FI:062 Explain the time value of money

SOURCE: Fernando, J. (2021, September 3). *Time value of money (TVM)*. Retrieved September 20, 2021, from <https://www.investopedia.com/terms/t/timevalueofmoney.asp>

29. B

No, his goal is not specific or measurable. A financial goal is a short- or long-term objective that is measured in terms of money. Effective financial goals are SMART goals—specific, measurable, attainable, results-oriented, and time-bounded. The goal is time-bounded because Brandon wants to save money to buy a car two years from now. It is results-oriented because Brandon will have something to show for his effort in two years—a car. However, the goal is not specific or measurable, because Brandon has not indicated how much he wants to save for the car. Also, Brandon has not indicated how he plans to save for the car, such as placing 15% of his weekly paycheck in a special savings account. There is not enough information to determine if the goal is attainable, because it is not specific.

SOURCE: FI:065 Set financial goals

SOURCE: Eby, K. (2019, January 9). *The essential guide to writing SMART goals*. Retrieved September 20, 2021, from <https://www.smartsheet.com/blog/essential-guide-writing-smart-goals>

30. C

Ask herself, "What kinds of financial services do I want?" The first thing Rosie should do when selecting a financial services provider is ask herself what kinds of financial services she wants. This will help her narrow down her focus. When she has an idea of what she wants out of a financial services provider, she can ask about references, charges, and licenses.

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

SOURCE: Coombes, A., & Benson, A. (2021, September 3). *How to choose a financial advisor*.

Retrieved September 20, 2021, from <https://www.nerdwallet.com/article/investing/how-to-choose-a-financial-advisor>

31. C

Savings account. If Sheila doesn't like to take risks, wants to access all of her money at all times, and doesn't mind earning very little interest, she should consider a savings account. You're always able to access your money, but you receive a low return. A stock is much riskier than a savings account—you actually own part of the company, so you have the rights and responsibilities that go along with ownership. This means you can make a big profit, but you can also lose a large amount of money if the stock decreases in value or if the company goes out of business. While a certificate of deposit (CD) doesn't have a high risk, you aren't able to access your money at all for a set period of time. A money market account (MMA) is low risk, but you are only able to access some of your money each month, and you usually have to keep a certain amount of money in your account.

SOURCE: FI:077 Explain types of investments

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

32. B

\$119,963.80. Businesses regularly monitor the profitability of their product lines to determine how well they are doing and if changes need to be made. To determine the amount of profit the product line earned, multiply the net sales by the profit margin ($\$545,290 \times 22\%$ [or $.22$] = $\$119,963.80$).

SOURCE: FI:322 Determine product-line profitability

SOURCE: Amadeo, K. (2020, November 23). *The 3 types of profit margins and what they tell you*.

Retrieved October 20, 2021, from <https://www.thebalance.com/profit-margin-types-calculation-3305879>

33. C

Give receipts to all customers. Most businesses use a variety of procedures to control cash. One of these is to train employees how to use the cash register and require that they ring up each sale on the register and give receipts to all customers. When an employee rings up a sale, the register automatically records the sale and prints a customer receipt. This procedure helps control cash because it reduces the possibility of employees accepting payment from customers without recording the sale and issuing a receipt. Monitoring intangible assets, tracking dividends paid to owners, and evaluating projected budgets are not internal procedures that many businesses use to control cash.

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

SOURCE: Chron. (2021, April 8). *Internal control procedures for the receipt of cash*. Retrieved September 17, 2021, from <https://work.chron.com/internal-control-procedures-receipt-cash-6735.html>

34. C

Credit cards have high processing fees. When businesses accept credit cards, they are required to give some of the money from each sale they make to several third parties—such as the card provider, the banks that are involved, and various credit card associations. These processing fees can sometimes make accepting credit cards too expensive for small businesses that sell inexpensive items like breakfast foods. It is unlikely that the cafe decided to refuse credit cards because the owners are old, because residents never carry credit cards, or due to town restrictions.

SOURCE: FI:790 Calculate credit-card processing costs

SOURCE: Resendiz, J. (2021, September 9). *Credit card processing fees and costs*. Retrieved October 20, 2021, from <https://www.valuepenguin.com/what-credit-card-processing-fees-costs>

35. A

3%. Credit card processing is not free. Instead, businesses typically must pay a specific portion or percentage of its credit card revenue to several different organizations, including the issuing bank, card association, acquiring bank, and payment gateway. To determine what percentage of total credit card sales goes toward fees, first total the amount of fees charged for each transaction ($\$1.27 + 0.10 + 0.22 + 0.20 = \1.79). Then, calculate the total amount of credit card fees paid by multiplying the cost for each transaction by the number of credit card transactions ($\$1.79 \times 135 = \241.65). Finally, calculate the percentage of total credit card sales that goes toward fees by dividing the total credit card fees by the total credit card sales ($\$241.65 / \$8,550.00 = 0.03 = 3\%$).

SOURCE: FI:790 Calculate credit-card processing costs

SOURCE: Fiserv. (2021). *How credit card processing works*. Retrieved September 17, 2021, from <https://merchants.fiserv.com/en-us/resources/credit-card-processing/>

36. A

Give a verbal warning. HR managers must sometimes take disciplinary action if an employee has acted in an inappropriate manner. If an employee shows up late for work, the manager might give a verbal warning so the employee knows that punctuality is important. A final written warning or termination would not be appropriate actions to take if it is the first time that the employee has shown up late. Finally, there is no indication that the employee handbook needs to be rewritten.

SOURCE: HR:452 Explain labor-relations issues

SOURCE: Picincu, A. (2019, March 16). *Examples of employee relations issues*. Retrieved October 20, 2021, from <http://smallbusiness.chron.com/examples-employee-relations-issues-11538.html>

37. A

An uncomfortable work environment. Sometimes, employees do not respect each other's lifestyles and discriminate against each other because of them. When this occurs, employees might experience an uncomfortable work environment. This can damage productivity. Language barriers are a result of ethnic or cultural differences rather than differences in lifestyles. Generational misunderstandings are not a result of disrespecting lifestyle choices.

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

SOURCE: Renee, M. (2019, March 6). *Top 10 diversity issues at work*. Retrieved September 17, 2021, from <https://smallbusiness.chron.com/top-10-diversity-issues-work-24939.html>

38. B

Religion. One issue associated with religious diversity is that different religions celebrate different holidays. If Rita has to work during her most important holidays, it is likely that her employer does not have a policy that accommodates religious diversity. Working during important 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. (2016, October 26). *How to manage religious diversity in the workplace*. Retrieved October 20, 2021, from <https://smallbusiness.chron.com/manage-religious-diversity-workplace-10718.html>

39. C

Decreasing the learning curve for new employees. A community of practice is a group of people who share interest in a subject and meet regularly to improve in that subject area. In the workplace, a community of practice can provide knowledge to new employees so that they can quickly become acclimated to a new position. Communities of practice also add value to professional lives, but this is an individual benefit rather than a benefit for businesses. Communities of practice encourage strategic decision-making that is informed by knowledge, rather than reducing it. Finally, communities of practice increase employee retention, decreasing turnover.

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

SOURCE: Gonçalves, L. (2021, July 3). *Communities of practice, a summary for leaders*. Retrieved September 17, 2021, from <https://luis-goncalves.com/communities-of-practice/>

40. B

Staying organized. Employees can help their employers reach their objectives by working efficiently. To work efficiently, employees should be organized and have a system for keeping track of their work and supplies. Because Natalie's workspace was not organized, she spent a lot of time looking for a file instead of working on something more productive. There is not enough information provided to determine if Natalie has problems staying on task, using supplies wisely, or observing safety standards.

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

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

41. A

Behavioral—benefits sought. A market consists of buyers who differ in one or more ways. By identifying those differences, hospitality and tourism businesses can tailor their marketing efforts to appeal to specific groups. With behavioral segmentation, people are grouped together on the basis of their knowledge, attitude, and use for/response to a product. In this scenario, the group is travelers who have pets with them. This form of behavioral segmentation is based on the product benefits that the group wants—lodging that accepts pets. Psychographic segmentation based on social class divides people into different social classes. Demographic segmentation divides people into groups based on certain variables such as age, gender, race, religion, educational level, or income level. Use of a mass market approach would indicate that the hotel will not be differentiating among its guests and will be using the same marketing strategies with all guests.

SOURCE: MP:035 Identify ways to segment hospitality and tourism markets

SOURCE: Roth, L. (2020, September 30). *How to use behavioral segmentation to improve marketing effectiveness*. Retrieved September 17, 2021, from <https://blog.alex.com/behavioral-segmentation/>

42. C

Encryption. Software piracy and unauthorized file sharing (e.g., of music) are costly to producers. To protect their ownership rights, these businesses often use encryption techniques to minimize these types of issues. Encryption is the process of transforming information into a secret code so that only the recipient can read it. If the recipient tries to pass along the information to others, the others will not be able to access the information. Virtualization involves running multiple operating systems on one machine. Multicasting transmits streaming media to multiple users simultaneously. Rerouting means to changing course or direction.

SOURCE: NF:076 Explain legal issues associated with information management

SOURCE: Federal Trade Commission. (n.d.). Financial institutions and customer information: Complying with the safeguards rule. Retrieved September 20, 2021, from <https://www.ftc.gov/tips-advice/business-center/guidance/financial-institutions-customer-information-complying>

43. A

Correlation. Correlation is a type of analysis that involves comparing the relationship between two variables. It concisely summarizes this relationship in a single number between +1.00 and -1.00. Correlation converts various statistics into numbers that can be easily compared. Documentation involves substantiating a claim with supporting information. Manipulating involves managing a situation for one's own advantage. Observation is a survey technique.

SOURCE: NF:185 Use database for information analysis

SOURCE: Gell, T. (2020, October 26). *What is correlation analysis in market research?* Retrieved October 20, 2021, from <https://www.driveresearch.com/market-research-company-blog/what-is-correlation-analysis-in-market-research/>

44. A

Cluster. The objective of cluster analysis is to classify or group data such as customers or products. Once grouped, the researcher can use the data about customers or products to gain insight regarding target markets. Fragment and semivariance are not terms used to describe marketing-information evaluation methods. Semi-structured is a term used to describe a type of question used in surveys.

SOURCE: NF:185 Use database for information analysis

SOURCE: Optimove. (2021). *Customer segmentation via cluster analysis*. Retrieved September 17, 2021, from <https://www.optimove.com/resources/learning-center/customer-segmentation-via-cluster-analysis>

45. C

The aging of the population. The aging of the population is a demographic trend since it refers to demographic data (age). Shifting political climates is a governmental or political trend. Rising interest rates is an economic trend. A concern for fitness and health is a social/cultural attitude.

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

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

46. C

They have already exhausted their secondary research options. Primary research is that which a person or company generates on their own for their exact needs and purposes. Primary research is generally done when the needed information does not exist yet. Therefore, the airline executive should first do an exhaustive search of secondary sources before deciding to conduct primary research. Even if no one on the executive's team has the information they need, the executive still might not need to conduct primary research because they might be able to use secondary research. If the airline has little money for research, the executive might be better off focusing on secondary research because it is cheaper than primary research.

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

SOURCE: Alchemer. (2018, April 26). *Research methods: How and when to use primary and secondary research*. Retrieved September 17, 2021, from

<https://www.alchemer.com/resources/blog/research-methods-how-and-when-to-use-primary-and-secondary-research/>

47. B

Customers with reservations spend 25% more than other customers. Understanding the relationship between making reservations and spending can help a restaurant focus its sales and promotional efforts on dinner reservations in order to increase sales. Since the tipping of waitstaff, split plates, and payment methods do not increase sales, these data are less helpful.

SOURCE: NF:288 Monitor hospitality and tourism sales data

SOURCE: Andrews, R. (2021, July 14). *How restaurants are using data and analytics to increase profits*. Retrieved September 17, 2021, from <https://restaurant.eatapp.co/blog/restaurant-data-and-analytics-increase-revenue>

48. B

An airline determines the average number of empty seats to know whether to cancel a flight. Descriptive statistics are used to describe basic features of data in a study. An example of a descriptive statistic is average, or mean. Mean can be used to make a business decision such as whether to cancel a flight. There is no indication that the customer reviews, environmental reports, or competitors' prices include descriptive statistics.

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

SOURCE: Hayes, A. (2021, August 3). *Descriptive statistics*. Retrieved September 17, 2021, from https://www.investopedia.com/terms/d/descriptive_statistics.asp

49. B

Increase bookings for the other seasons of the year. Since the hotel was booked near to capacity last year during the pumpkin festival, there is very little opportunity to gain new growth from the festival this year. Therefore, it is more effective and profitable to increase bookings for the other seasons of the year when the hotel has vacant rooms available. Booking all available rooms during the festival will not create any significant increase over last year's occupancy rate. Offering discounted rooms or free festival tickets during a high demand period is ill-advised because it will decrease overall profits.

SOURCE: NF:237 Interpret descriptive statistics for business decision making

SOURCE: Fredericks, L. (2021, February 23). *9 proven strategies to increase hotel occupancy*.

Retrieved October 20, 2021, from <https://www.cvent.com/en/blog/hospitality/increase-hotel-occupancy>

50. C

Column. A column chart shows the differences in individual values vertically. It is useful to show the difference between values in different time periods, such as the rising sales of Alaskan cruises over time. Pie charts show the proportion of each segment to the whole. They are not useful for showing rising sales over time. A scatter chart is used when showing relationships and correlations between variables, rather than rising sales over time. A histogram is used to show frequency distribution, not rising sales over time.

SOURCE: NF:289 Display hospitality and tourism data in charts/graphs or in tables

SOURCE: Metwalli, S. (2020, September 7). *Data visualization 101: How to choose a chart type*. Retrieved September 17, 2021, from <https://towardsdatascience.com/data-visualization-101-how-to-choose-a-chart-type-9b8830e558d6>

51. D

Pet-friendly hotels. Because many people consider pets to be important members of their families, they often prefer to travel with them. Many hotel chains and destination rental properties are beginning to provide pet-friendly accommodations. Some boutique hotels even provide special services to pamper pets such as grooming, spa, and walking services. Many communities are opening dog parks, which tend to attract local residents who need a place for their pets to exercise rather than travelers. All-inclusive resorts are those in which food and beverages are included in the price of the guest's stay. All-inclusive resorts may or may not allow pets on the property.

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

SOURCE: Social Tables. (n.d.). *Why pet-friendly hotels are winning over new customers*. Retrieved September 17, 2021, from <https://www.socialtables.com/blog/hospitality/pet-friendly-hotels/>

52. C

Determine if the guest has enough available credit to pay for the room. Upon check-in, if the guest is paying with a credit card, the clerk will use the information on the credit card to verify that the guest has enough available credit to pay for the room for the entire stay. Even if the guest would prefer to have their credit card charged in advance of their stay, the hotel would not charge the guest for any room service until that service has been ordered by the guest. The clerk would not need any credit card information to make a reservation at the hotel restaurant. Any voucher created at the front desk would not require the addition of any credit card information.

SOURCE: NF:060 Explain ways that technology impacts the hospitality and tourism industry

SOURCE: Warehouse Hotel. (2021, June 24). *Everything you need to know about a hotel's credit card hold*. Retrieved September 17, 2021, from <https://www.warehousehotel.com/manheim/blog/everything-about-hotel-credit-card-holds>

53. B

Prevent fraud. It is important for businesses to prevent and avoid credit card fraud. One way to do so is to compare customers' credit cards to their identification. This ensures that the cards they are using belong to them. Asking to see identification does not encourage cash payments. The employees should know whom to charge without needing to see identification. There is no law that requires employees to see identification when customers pay with credit cards.

SOURCE: OP:653 Identify credit card fraud prevention methods

SOURCE: International Bancard. (2017, March 25). *6 easy ways your business can avoid credit card fraud*. Retrieved September 17, 2021, from <https://startupnation.com/manage-your-business/avoid-credit-card-fraud/>

54. C

Deciding what to monitor. Walker is selecting the specific criteria he wants to monitor during the course of his project and when he will monitor them. This is the first step to monitoring projects and taking corrective actions. Walker is not making changes/corrections, gathering data, or communicating with stakeholders.

SOURCE: OP:520 Monitor projects and take corrective actions

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

55. A
Save time. A project's scope means what it includes—and what it *doesn't* include. Keeping this in mind during the planning process helps project managers save time by avoiding working on tasks that are outside the project's scope. Keeping project scope in mind will not necessarily help project managers ensure a project's quality, help project managers avoid all risks, or help project managers earn more money.
SOURCE: OP:001 Develop project plan
SOURCE: LAP-OP-001—Chart Your Course (Developing a Project Plan)
56. B
Reorder point. The reorder point is the level of inventory at which the business needs to place a reorder with the vendor to replenish the inventory, which prevents stock-out situations. The business considers the normal demand for the product, its safety stock, and the vendor's lead time to determine the reorder point of a particular item. Profit margin, buyer's preferences, and accounts receivable are not primary factors that a business considers when it determines when to place a reorder for a regularly stocked item.
SOURCE: OP:016 Place orders/reorders
SOURCE: QuickBooks. (2021). *Reorder point formula - Know when to reorder*. Retrieved September 20, 2021, from <https://www.tradegecko.com/learning-center/reorder-point-formula-calculation>
57. C
Standard purchase order. A standard purchase order is used as the need arises, generally for infrequent or one-time purchases. Sunset Airlines is replacing a broken part to deal with a rare mechanical malfunction, rather than ordering mechanical parts on a regular basis, so it is likely to use a standard purchase order. Planned purchase orders are determined in advance and on a regular basis, rather than as needed. Blanket purchase orders involve planning several orders at once, usually for a repetitive purchase. A contract purchase order creates an agreement and terms of supply between a purchaser and a business to form an ongoing relationship. A contract purchase order is not likely to be used for an infrequent purchase such as a new mechanical part for a rare malfunction.
SOURCE: OP:250 Describe types of purchase orders
SOURCE: Unleashed. (2019, December 16). *4 types of purchase orders every business needs to know*. Retrieved September 18, 2021, from <https://www.unleashedsoftware.com/blog/managing-procurement-purchase-orders>
58. C
Trash bags, sanitizer, and light bulbs. All types of businesses keep maintenance supplies on hand to ensure that the business is clean and that it runs smoothly. Trash bags, sanitizer, light bulbs, batteries, cleaning items, paper towels, and mops are maintenance items that businesses keep on hand. Pens may be classified as maintenance or office supplies. Computers, conveyer belts, and office furniture are capital goods or equipment that businesses use to operate smoothly. Sportswear items (e.g., shorts, T-shirts) are most likely resale inventory.
SOURCE: OP:336 Discuss types of inventory
SOURCE: Magloff, L. (2016, October 26). *Types of inventory for an organization*. Retrieved September 18, 2021, from <https://smallbusiness.chron.com/types-inventory-organization-14109.html>
59. A
Pareto chart. A Pareto chart is a type of bar graph that helps managers determine which problems should be addressed first. A house of quality matrix is a tool that helps managers determine if a product meets customer needs. Statistical quality control is a group of tools used to evaluate quality and identify problems. A cause-and-effect diagram is a way to identify many potential causes of a problem and to sort them into useful categories.
SOURCE: OP:163 Identify quality-control measures
SOURCE: LAP-OP-163—Take Control (Quality-Control Measures)

60. D

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

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: Qualityze. (2021). *Proactive vs reactive: Which approach is better to attain quality*. Retrieved September 20, 2021, from <https://www.qualityze.com/proactive-vs-reactive-approach-better-attain-quality/>

61. C

Contact the supplier to resolve the discrepancy. Businesses monitor and track their suppliers' invoices to make sure they are billed correctly. If the business finds a discrepancy (e.g., incorrect discount amount) on the invoice, the business should contact the supplier to make necessary adjustments. In many situations, the supplier will send the business a revised invoice with the correct information. By paying an invoice that is higher than stated in the original purchase order, Kara would be tying up funds that the business could use for other things. If the supplier does not take steps to correct the invoicing error, it might be appropriate to send a complaint to the supply company's president; however, Kara should begin the process by contacting the appropriate supply-company employee (e.g., salesperson). The supplier needs to generate a corrected invoice, not the business itself.

SOURCE: OP:184 Track invoices

SOURCE: Weber, A. (2019, July 9). *5 common invoicing problems and how to solve them*. Retrieved September 18, 2021, from <https://www.supplyon.com/en/blog/how-to-solve-5-common-invoicing-problems/>

62. A

Changing login passwords regularly. By changing login passwords regularly, companies can reduce the risk of hackers or other malicious groups gaining access to their social media accounts. It's not a good idea to allow all employees to view the company's social media login information. The more people have access to login credentials, the greater the chance of sensitive information falling into the wrong hands. Instead of asking all employees to monitor the company's social media accounts, companies should hire specific people to manage social media so that the job isn't neglected by busy, overburdened employees. The frequency of a company's posts does not affect the safety of its social media accounts.

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

SOURCE: Harmon, E. (2017, April 10). *6 tips for keeping your company's social media accounts secure*. Retrieved October 20, 2021, from <http://socialmediaexplorer.com/content-sections/tools-and-tips/6-tips-for-keeping-your-companys-social-media-accounts-secure>

63. C

Scan the drive for viruses before opening it. External devices can carry viruses that can allow customer data to be exposed to threats. Scanning the USB drive for viruses can detect any threats before the data are exposed, protecting private customer information. Refusing to open the files isn't necessarily a reasonable action, because Riley needs to view the files in one way or another. Deleting customer information is not practical, because the information is probably necessary to the company's success. Finally, firing the design firm is an unreasonable response because the firm did not necessarily do anything to warrant such action.

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

SOURCE: Locke, J.T. (n.d.). *How to check a USB for a virus*. Retrieved October 7, 2021, from <https://www.techwalla.com/articles/how-to-check-a-usb-for-a-virus>

64. B

Masks. A ventilation mask, which is placed over the mouth and nose, hinders the risk of lung irritation or damage that might be caused by harmful cleaning chemicals. Gloves protect the hands. Nets and mouth guards do not protect a hotel's housekeeping employees from inhaling vapors.

SOURCE: OP:134 Practice safe and sanitary handling/disposal of wastes/recyclables

SOURCE: Midlab. (2019, June 18). *Storing & handling cleaning chemicals: What you need to know.*

Retrieved September 18, 2021, from <https://www.midlab.com/06/storing-handling-cleaning-chemicals/>

65. D

Conduct emergency drills. Employees who practice evacuations and take part in emergency simulations are likely to respond more calmly when unexpected situations—fires, power failures, natural disasters, and medical issues—occur. Some hotels may use computer presentations to supplement their emergency training programs. An organizational chart is a graphical representation of the flow of authority within an organization. Assembling first aid kits and developing organizational charts are not actions that help employees respond appropriately in emergencies.

SOURCE: OP:119 Handle emergency situations in hospitality and tourism

SOURCE: The Receptionist. (n.d.). *4 tips for conducting workplace emergency drills.* Retrieved September 18, 2021, from <https://thereceptionist.com/blog/4-tips-for-conducting-workplace-emergency-drills/>

66. B

Follow security checkpoint procedures. Due to terrorism threats, airports require passengers to follow several procedures before boarding airplanes. The procedures typically involve baggage searches and electronic body scans to check for potentially deadly items such as explosives, guns, and knives.

Passengers are required to remain seated and wear seatbelts during takeoff and landing for personal safety reasons. While in the air, airlines typically allow passengers to get out of their seats to use the bathroom facilities. Boarding the airplane one person at a time does not reduce the risk of air-travel terrorism attacks, because security measures occur before the passengers board the airplane.

SOURCE: OP:115 Explain security considerations in the hospitality and tourism industry

SOURCE: Transportation Security Administration. (n.d.). *Security screening.* Retrieved September 18, 2021, from <https://www.tsa.gov/travel/security-screening>

67. C

Convention and visitors bureau. The purpose of a convention and visitors bureau (CVB) is to encourage tourism and convince businesses and organizations to hold conventions and trade shows in a particular city or region. Industry trade associations are groups of persons working in the same industry who collaborate to further the industry's interests and goals. Examples of trade associations include the National Restaurant Association and the International Executive Housekeepers Association (IEHA). A travel agency is a privately owned business that sells travel, tour, and hospitality products on behalf of the producers. A tour operator carries out tours.

SOURCE: PD:272 Explain career opportunities in hospitality and tourism

SOURCE: Georgia Association of Convention & Visitors Bureaus. (n.d.). *What is a CVB?* Retrieved September 18, 2021, from <https://www.gacvb.com/what-is-a-cvb->

68. A

Help the business achieve its organizational goals. A business must hire employees who have the skills to carry out the tasks that are needed to achieve its organizational goals. Without the appropriate skills, the business will not run efficiently or compete effectively in the marketplace, which is likely to result in financial losses. Hiring skilled employees will not necessarily help a business determine funding needs or analyze profit margins. Managers, rather than employees, set the business's organizational standards.

SOURCE: PD:255 Ascertain employee's role in meeting organizational goals

SOURCE: Ryba, K. (2021, February 23). *How to align individual, team, and organizational goals for success.* Retrieved September 20, 2021, from <https://www.quantumworkplace.com/future-of-work/how-to-align-organizational-goals>

69. B

Attractions; recreation. The hospitality industry provides services to people who are away from home. The recreation industry, which is a segment of the hospitality industry, provides services designed to provide rest, relaxation, and enjoyment. Zoos, museums, and amusement parks are attractions that are designed to provide visitors with enjoyment. Entertainment businesses, which are also a part of the recreation industry, include movie theaters, concerts, and plays. The lodging industry consists of businesses (e.g., hotels, motels, and resorts) that provide sleeping accommodations for travelers. Travel businesses (e.g., airlines and car rental companies) provide transportation. The tourism industry consists of businesses (e.g., tour operators, convention planners, and travel agencies) that promote travel for business and leisure. Events are special or planned occurrences and include occasions such as weddings, birthday parties, and fundraisers.

SOURCE: PD:111 Describe the nature of the hospitality and tourism industry

SOURCE: Novak, P. (2017, April 24). *What are the 4 segments of the hospitality industry*. Retrieved September 18, 2021, from <https://www.hospitalitynet.org/opinion/4082318.html>

70. A

Profitable. Before a new product is introduced, companies must determine if there is a market for the product and if there will be sufficient demand for it to generate a profit. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods and services. A guarantee is a promise made by the seller to the consumer that the seller will refund the consumer's purchase price if the product does not perform as expected. Intangible means not capable of being detected through touch.

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

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

71. B

Customer's point of view. Because customers buy benefits as well as the product or service, product/service management must be approached from the customer's point of view. Too often, producers concentrate on the product itself and its technological benefits without taking into consideration the benefits that appeal to the customer. The challenge facing product/service managers is pleasing customers whose wants and needs seem to change constantly. Product/Service managers should monitor competitors' actions and plan products that will effectively compete with those offered by competitors.

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

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

72. A

Product discontinuation. Weak products are those with declining sales and profitability. These products must be discontinued because of their costs to the company. Commercialization is the point at which the product goes into full-scale production, a marketing plan is put in place, service and sales training are conducted, and the product's life cycle begins. Product development is a lengthy step that could take months or even years to finish. During this step, a working model of the product is tested, modified, and retested until the company decides it's ready to hit the market. Companies create prototypes when they are testing a product concept, not when a product is already on the market and unsuccessful.

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

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

73. D

Sales of established products may decline. The addition of higher-quality items to a product mix may cause sales of established products to decline. Disadvantages associated with the use of contraction strategies include increased market risk and loss of customer goodwill. The difficulty of predicting success is a disadvantage associated with an alteration product-mix strategy.

SOURCE: PM:003 Explain the concept of product mix

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

74. B

A two-night lodging package that includes two 18-hole rounds of golf. Resorts often bundle products into packages to provide more value to guests. Golfers are more likely to value a package that gives them the opportunity to golf. Golfers are likely to value a package with nongolf products less than one that includes golf.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Kesavan, S. (2021, March 5). *Product bundling strategy, advantages & examples*. Retrieved October 20, 2021, from <https://www.zoho.com/inventory/guides/what-is-product-bundling.html>

75. C

Preference. Brand preference is the level of brand loyalty in which customers desire one brand over another but will accept substitutes if the brand is not available. Brand insistence is the level of brand loyalty in which customers will accept only one brand. Brand recognition is the level of brand loyalty in which customers are aware of a brand but not necessarily through personal experience. Responsiveness is not a level of brand loyalty.

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)

76. A

Reinforce a business's image. Core values represent the underlying worth of products and the image those products project. The image of products reinforces a business's image. Ideally, the core values of the business and its products should be the same or compatible. For example, exhibiting social responsibility is a core value. Businesses project this value in their products by making products that are safe. Communicating the core value of product safety also reinforces the business's image of being socially responsible. Communicating the core values of products is not an effective way to explain the price structure, analyze the sales operation, or create a distribution channel.

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

SOURCE: Porter, J. (n.d.). *How to communicate product value*. Retrieved September 18, 2021, from <https://mixergy.com/course-cheat-sheet-communicating-product-value/>

77. A

A cafe develops a logo illustrating its core value of using natural ingredients. Branding refers to tactics that establish and promote the identity and unique values of a company and distinguish it from other businesses. Illustrating the use of natural ingredients helps communicate a core business value that distinguishes the cafe from others. Advertising products and selling tickets for special events are examples of a business using promotion. Printing a company logo on disposable paper products helps identify a company, but it does not necessarily help promote its unique values.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: Sisk, A. (2018, June 11). *What is the definition of corporate branding?* Retrieved October 20, 2021, from <https://bizfluent.com/info-7794760-definition-corporate-branding.html>

78. D

Lodging. The core product of a hotel in the hospitality industry is lodging, which involves providing overnight sleeping accommodations for guests. The various segments of the hospitality industry offer a range of accommodations including economy, full-service, and resort. Many properties also offer complementary products, such as entertainment, food service, and retailing; however, the main product is lodging. For example, an economy property that provides rooms is selling only the core product, while a resort that has many restaurants, nightly entertainment, and retail shops is selling the core product as well as complementary products.

SOURCE: PM:081 Explain the concept of product in the hospitality and tourism industry

SOURCE: Reynolds, M. (2019, March 5). *Three categories of the hospitality industry*. Retrieved September 18, 2021, from <https://smallbusiness.chron.com/three-categories-hospitality-industry-58524.html>

79. C

A broader market appeal. The main reason that hotels create new properties targeted at different market segments is to appeal to a broader customer base. Differentiation of new properties is actually more difficult to achieve with multiple properties using the same or similar brand names. While all the hotels bearing a brand name may benefit from advertising, the advertising is still a business expense that must be paid for. Offering a wide selection of hotel properties does not necessarily reduce competition from other hotel chains.

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

SOURCE: Butler, J.M. (2016, September 21). *Hotels - Brand expansion or brand explosion?* Retrieved September 18, 2021, from <https://www.lexology.com/library/detail.aspx?g=6a8a9d81-b6fb-4f92-88e6-4474218564cd>

80. A

Blind testing. To evaluate multiple vendors' canned goods, restaurants can obtain input from cross-functional teams of employees as well as guests. To avoid receiving biased input, use of blind testing is recommended. With this technique, the food items are removed from their cans so that evaluators do not know for which brand they are providing feedback. Can-cutting is an evaluation procedure in which canned goods are opened and their contents compared. This does not ensure unbiased feedback, however. Random access and sampling are research terms and do not apply to product evaluation.

SOURCE: PM:239 Evaluate vendors' goods and services

SOURCE: Kuhn, G. (2020, November 20). *What is blind testing in market research?* Retrieved September 18, 2021, from <https://www.driveresearch.com/market-research-company-blog/what-is-blind-testing-in-market-research-customer-experience-cx-syracuse/>

81. C

Increase sales. Promotion is the communication of information about goods, services, images, and/or ideas to achieve a desired outcome. The most obvious way that businesses benefit from the use of promotion is through increased sales. Promotion should be factual and relevant to the intended audience, but those are characteristics of promotion, not goals. Promotion is intended to inform consumers, but salespeople should know about their company's promotions and be familiar with their content.

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

SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

82. D

Product sampling. When product sampling is used, the customer receives a "free trial" without having to make a purchase. Sales promotion is defined as promotional activities other than advertising, personal selling, and public relations that stimulate consumer purchases. Common sales promotion activities include visual merchandising (displays), fashion shows, coupons, free samples, and premiums. When premiums are used, the customer receives a gift contingent upon the purchase of a good or service.

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

SOURCE: Peekage. (2021, March 15). *Definitive guide about product sampling: Definition, importance, distribution, effectiveness, strategies, techniques, ideas & more.* Retrieved September 18, 2021, from <https://peekage.com/blog/what-is-product-sampling>

83. A

Sales promotion. Sales promotion includes all of the promotional activities other than personal selling, advertising, and publicity that are used to stimulate sales. Sales promotion might include a physical display that encourages customers to buy. Publicity is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual that benefits from or is harmed by it. Advertising is any paid form of nonpersonal presentation of ideas, images, goods, or services. Personal selling is planned, personalized communication intended to influence purchase decisions and enhance future business opportunities.

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

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

84. C

A package deal. This kind of special promotion combines several related items for a discounted price, which encourages guests to spend a weekend in the hotel. A product sample is a small amount of a product given to consumers to encourage purchase of that product. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services. Suggestion selling is a sales technique to increase the customer's purchase by suggesting additional items after the original decision to buy has been made.

SOURCE: PR:082 Explain promotional methods used by the hospitality and tourism industry

SOURCE: Trivago Business Blog. (2018, August 16). *The appeal of a package deal: Hotels drive up room value with special offers*. Retrieved October 20, 2021, from <https://businessblog.trivago.com/packages-special-offers-drive-up-hotel-room-value/>

85. A

Personal selling. Personal selling is the form of promotion that determines client needs and wants and responds through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Personal selling is often effective when dealing with corporate travel departments and meeting planners because it frequently involves meeting personally with those people to discuss their travel needs. Corporate travel departments and meeting planners arrange travel for many people and are interested in obtaining the best service and price. Having personal conversations makes it possible to find out what they need and then offer the services that satisfy those needs. For example, an airline might use personal selling to promote itself as the most efficient and economical carrier for a business whose employees frequently fly across the country. Public relations is a function of business designed to establish good relations between the business and the public. Radio advertising is a promotional method that reaches a general audience rather than corporate travel departments and meeting planners. Award programs are intended to reward loyalty or productivity.

SOURCE: PR:082 Explain promotional methods used by the hospitality and tourism industry

SOURCE: Jerpi, L. (2019, March 6). *Marketing strategies for personal selling*. Retrieved September 18, 2021, from <https://smallbusiness.chron.com/marketing-strategies-personal-selling-46563.html>

86. B

Quality assurance. Quality assurance is an organization-wide system that businesses use to ensure quality standards by preventing defective products from being created in the first place. It includes quality control (inspection), but it is much more than just that. Quality improvement involves an organization's willingness to change and adapt for the purpose of maintaining quality. Quality command is not a common aspect of quality management.

SOURCE: QM:001 Explain the nature of quality management

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

87. A

Act. The PDCA cycle is a tool for continuous improvement. It includes implementing change on a wider scale, which is the final step (Act). The Plan stage includes identifying an opportunity and planning for a change. The Do stage includes implementing the change on a small scale. The Check stage includes using data to analyze the results of the change to determine whether it made a difference.

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

SOURCE: American Society for Quality. (2021). *Continuous improvement*. Retrieved October 20, 2021, from <https://asq.org/quality-resources/continuous-improvement>

88. A

Internal expertise. An important aspect of controlling online risk is making sure that customers' transactions are secure. Online transactions require customers to provide confidential information (e.g., credit card numbers), so businesses must have the technological tools and expertise to prevent unauthorized access to the information. If a business does not have employees with the expertise to work with this technology, the business should consider hiring a consultant or firm that has the knowledge and training to handle its technological needs. Outsourcing requires a business to have the money (financial resources) to pay for the services. Secondary data are facts and figures that have been collected for purposes other than the project at hand.

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

SOURCE: Sunol, H. (2021, March 26). *3 reasons to outsource information technology to attain digitalization*. Retrieved October 20, 2021, from <https://articles.cyzerger.com/reasons-to-outsource-information-technology-to-attain-digitalization>

89. C

Enterprise risk management. Enterprise risk management (ERM) is a comprehensive risk management strategy that attempts to identify potential risks and plan for responding to them. Enterprise risk management should be influenced by a company's overarching strategies and vision. The company is likely not using marketing-information management, managerial accounting, or quality management in this instance.

SOURCE: RM:062 Discuss the nature of enterprise risk management (ERM)

SOURCE: Mansinghka, A. (2021, September 20). *Enterprise risk management framework: 8 core components*. Retrieved October 7, 2021, from <https://www.saviom.com/blog/enterprise-risk-management-framework-core-components/>

90. C

Sell. Selling is important in all industries. Without it, people would not have businesses. For example, if college educators didn't have courses to sell, there would be no need for colleges. Not all businesses manufacture, invent, or patent the products they provide.

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

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

91. C

Efficient services. By offering efficient services, a hotel provides an environment that helps build a loyal clientele. Efficient services make an important contribution to the creation of goodwill and the cultivation of client loyalty. Convention guests usually appreciate the good service they receive from a hotel, which will encourage them to return and to become regular guests. Hotels usually do not offer free samples. The complimentary items provided in rooms are amenities rather than free samples. Hotels do not provide training to guests. Hotels use promotional materials as selling tools to attract guests.

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

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

92. B

Can make the salesperson's job easier. The information provided in the brochure may answer questions that the prospect has about the company. This creates a positive image in the customer's mind and can shorten the selling process for the salesperson. The salesperson's productivity is increased because better use is made of their time. Most company brochures are written to create a good image for the company. The only time it would be a waste of postage to mail them would be when prospective customers had not been carefully chosen.

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

SOURCE: American Psychological Association Services. (2021). *Build your client base with a practice brochure*. Retrieved September 20, 2021, from <https://www.apaservices.org/practice/business/marketing/building/brochure>

93. C

Recommendations of friends. People often rely heavily on the recommendations of friends, relatives, and associates when choosing travel destinations. When friends share information about good experiences on cruise ships or on escorted tours, they often encourage each other to take similar trips. People may assume that they and their friends have similar likes and dislikes and would enjoy the same travel destinations. People usually do not select a destination if their friends had a bad experience and do not recommend it. People are not motivated to choose travel destinations because of the methods of promotion, actions of competitors, or level of maintenance.

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

SOURCE: Windstar Cruises. (2019, April 16). *How to decide where to travel*. Retrieved September 20, 2021, from <https://www.windstarcruises.com/blog/how-to-decide-where-to-travel/>

94. C

Hotel employee recommending local attractions. Front desk employees often tell guests about the area's attractions to encourage tourism, which strengthens the local economy. In the example, the front desk clerk is telling the guest about an outdoor play (attraction) in the area. Therefore, a hotel employee is recommending local attractions. The front desk clerk is not providing guided tour information. There is not enough information provided to determine if the guest asked the front desk clerk about festivals and tours or if the guest collected tour brochures from the lobby display rack.

SOURCE: SE:221 Recommend hospitality and tourism services

SOURCE: Owens, D. (n.d.). *Chapter 6. Entertainment*. Retrieved September 20, 2021, from <https://opentextbc.ca/introtourism/chapter/chapter-6-entertainment/>

95. A

Guided tour of historical battlefields and museums. When making travel recommendations, travel agents often consider their clients' personal interests. Because the Wingates have hobbies that focus on history, a guided tour of historical battlefields and museums is a logical travel recommendation to give the couple. Although they might enjoy a cruise, African safari, or stay at an exclusive resort, there is not enough information provided to determine if these options will appeal to them.

SOURCE: SE:221 Recommend hospitality and tourism services

SOURCE: D'Ambrosio, R. (2016, September 28). *The travel agency proposition: Adding value is key*. Retrieved October 20, 2021, from <https://www.travelmarketreport.com/articles/The-Travel-Agency-Proposition-Adding-Value-Is-Key>

96. A

Do you require an accessible room? When guests call to make a reservation, it is important to find out whether they have any special needs or requests, such as an accessible room. While finding out a guest's reason for traveling, dietary preferences, and transportation plans may be important under some circumstances, they are not as important as making sure the guest's room requirements are met.

SOURCE: SE:477 Process telephone orders in hospitality and tourism

SOURCE: Byrne-Haber, S. (2019, November 22). *Elements of an accessible hotel room*. Retrieved September 20, 2021, from <https://sheribyrynehaber.medium.com/elements-of-an-accessible-hotel-room-fb9fc982d382>

97. B

Gift cards. Gift card sales are an important source of revenue for many types of hospitality businesses. Consumers purchase gift cards for others because the gift recipients can book a reservation where and when they want it, which provides them with flexibility. Hotel chains do not typically sell spa points, contest passes, or keyless cards.

SOURCE: SE:479 Sell gift certificates in hospitality and tourism

SOURCE: Hochberg, E. (2020, December 7). *11 hotel and Airbnb gift cards to give now so they can use for future travel*. Retrieved September 20, 2021, from <https://www.businessinsider.com/best-hotel-airbnb-gift-cards>

98. D

\$123.36. To determine the amount charged to Mrs. Walsh's credit card, begin by calculating the extension price of the multiple items (shrimp cocktail and iced tea) by multiplying the dollar amount of each item by the number of items ordered ($2 \times \$12.95 = \25.90 ; $2 \times \$2.10 = \4.20). Next, add together the extension prices of the shrimp cocktails and the iced teas with the dollar amounts of the rest of the food items ordered ($\$25.90 + \$4.20 + \$36.75 + \$22.50 + \$6.95 = \96.30). Next, multiply the sales tax percentage rate by the total dollar amount of the food and beverages to obtain the total dollar amount due to the hotel restaurant ($\$96.30 \times 106.75\%$ [or 1.0675] = $\$102.80$). Next, multiply the total dollar amount owed to the restaurant by the tip percentage rate to obtain the total dollar amount charged to Mrs. Walsh's credit card ($\$102.80 \times 120\%$ [or 1.20] = $\$123.36$).

SOURCE: SE:329 Process sales transactions (e.g., cash, credit, check)

SOURCE: CK-12. (2021, September 7). *Total bill including tip and tax*. Retrieved September 20, 2021, from https://k12.libretexts.org/Bookshelves/Economics/05%3A_The_Road-map_to_Financial_Security/5.03%3A_CONCEPT-_Total_Bill_Including_Tip_and_Tax

99. B

AJK Corporation has a CEO, followed by six vice presidents who manage the company's product lines. A divisional structure is an organizational design in which the firm is broken down into units according to factors such as product, process, territory, customer type, etc. AJK Corporation is divided by product lines, so it has a divisional structure. Perkins Pottery has a functional structure. There is no indication that Tom's company has a divisional organizational structure. A photography business with only three employees is too small to use a divisional structure.

SOURCE: SM:064 Explain managerial considerations in organizing

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

100. C

Motivating. Directing is the management function of providing guidance to workers and work projects. Directing often involves motivating employees, which is getting employees to strive to achieve management's objectives because they want to achieve them. Managers motivate employees in a variety of ways, including providing positive feedback and encouragement as well as offering attractive compensation packages (salary and benefits). Planning is the management function of deciding what will be done and how it will be accomplished. Coordinating work tasks is an activity in the organizing function of management, which involves setting up the way the business's work will be done.

SOURCE: SM:066 Discuss managerial considerations in directing

SOURCE: Heathfield, S.M. (2021, March 1). *How great managers motivate their employees*. Retrieved September 20, 2021, from <https://www.thebalancecareers.com/how-great-managers-motivate-their-employees-1918772>