



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

Test Number 1300
Booklet Number _____

Business Management and Administration Exam

Human Resource Management
Retail Management

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. The FMT Company wants to implement a software program to capture and communicate tacit knowledge. Which of the following software applications is best suited to fulfill the company's needs:

- A. Recovery
- B. Groupware
- C. Spreadsheet
- D. Presentation

2. Which of the following airlines is most likely to be undervalued, based on their price-to-cash flow ratios:

Sky High

Current Stock Price: \$14.36

Cash Flow per Share: \$5.21

Smooth Flying

Current Stock Price: \$22.78

Cash Flow per Share: \$4.12

Soar the Sky

Current Stock Price: \$18.50

Cash Flow per Share: \$3.59

White Clouds

Current Stock Price: \$25.81

Cash Flow per Share: \$6.94

- A. Smooth Flying
- B. White Clouds
- C. Sky High
- D. Soar the Sky

3. Which of the following is an accurate statement about how customer records should be maintained:

- A. Companies should avoid adding suppliers and competitors to customer records because it reduces the accuracy of those records.
- B. Customers' addresses and phone numbers change frequently, so customer records should only be updated every three years.
- C. Since customer information changes frequently, it is important to enable any employee to update customer records.
- D. It's not necessary to collect full records on customers because a quick internet search can easily discover any missing information.

4. Jenna, a project manager, recently assigned a complex project involving several deliverables to a group of employees. She assumed that the team knew what they were doing, so she gave very little instruction regarding how to start and complete the project. Unfortunately, several weeks later, the team returned to Jenna with very little progress—and plenty of confusion. Jenna's team would have had a better understanding of what tasks they needed to complete if Jenna had developed a
- lean management plan.
 - work breakdown structure.
 - risk management plan.
 - performance review.
5. Which of the following is an appropriate action for a manager to take in documenting the solution to an employee complaint:
- Write a lengthy, detailed report of the solution
 - Discard the file when the complaint has been resolved
 - Cover all of the critical aspects of the complaint
 - Delegate the documentation of the solution to an employee
6. A business that wants to maintain positive, long-term relationships with its vendors should
- share relevant information.
 - automate ordering processes.
 - develop a competitive orientation.
 - request volume discounts.
7. Inflation influences the balance of trade between countries through its effect on
- the availability of commodities.
 - the Consumer Price Index.
 - currency exchange rates.
 - menu costs.
8. Becky's boss has asked her to do research on the company's last five annual financial reports. They want to find out why the company has been losing more money this year than in previous years. What type of work is Becky's boss asking her to perform?
- Managerial accounting
 - Business analysis
 - Data normalization
 - Marketing research
9. The cost of designing a reliable, durable product is a(n) _____ cost.
- prevention
 - external failure
 - internal failure
 - appraisal

10. Brendon admires professional basketball players and often purchases products that players have endorsed. Which of the following groups is influencing Brendon's buying behavior:
- A. Subculture group
 - B. Membership group
 - C. Reference group
 - D. Association group
11. One way that managers can motivate employees to be more productive is by
- A. offering inflexible working hours.
 - B. finding ways to standardize tasks.
 - C. developing automated systems.
 - D. considering employees' suggestions.
12. Which of the following is an external factor that could significantly influence management decisions:
- A. New company leadership
 - B. Company mission statement
 - C. Budgeting and forecasting
 - D. Government regulations
13. When a company uses process thinking to design a process, it should make sure that the process has
- A. a goal.
 - B. an unlimited scope.
 - C. multiple process owners.
 - D. a deadline.
14. What is the benefit of performing integrated change control?
- A. It provides the team with areas for improvement.
 - B. It allows project documents to change without changing the deliverables and processes.
 - C. It reduces risks that arise from making changes without considering the project as a whole.
 - D. It allows all changes to be accepted and carried out.
15. Tracy's friend David works for TPS Industries. When Tracy saw a job on the company's website that interested her, she contacted David to find out if he knew anything about the job. David told Tracy that he previously worked with the hiring manager on several projects and would put in a good word for her. In this situation, Tracy acted on an employment opportunity by
- A. requesting an internship.
 - B. setting up a meeting.
 - C. volunteering her time.
 - D. networking with others.
16. A small organization might need a(n) _____, whereas a large company might need a _____.
- A. unified chain of command; scalar chain of command
 - B. narrow span of control; wide span of control
 - C. informal organizational structure; formalized, complex structure
 - D. specialized work force; divided labor force

17. In a basic supply chain, materials flow from producers to end users in a sequential, ordered process. How are supply chain networks different?
- A. Supply chain networks only involve the companies that function in upstream processes, not downstream processes.
 - B. Supply chain networks are more complex and show how information and materials flow back and forth among various supply chain partners.
 - C. The supply chain network is a new, but untested, method of understanding the supply chain that is seen as too radical for widespread use.
 - D. The supply chain network is an older, outdated method of understanding the supply chain that is rarely used today.
18. A company is considering whether to expand its operations into a neighboring country. The company predicts that the expansion will increase profits, but the firm's financial officials are concerned about the strength of the foreign dollar. This is an example of which of the following risk factors associated with international business:
- A. Foreign currency exchange
 - B. Domestic financial policies
 - C. Environmental fluctuations
 - D. Governmental regulations
19. Which of the following facility components are inspected by authorized officials to ensure that safety ordinances are met:
- A. Photocopiers
 - B. Computer networks
 - C. Elevators
 - D. Portable cameras
20. Which of the following legal processes is a nonbinding way to resolve a dispute:
- A. Arbitration
 - B. Mediation
 - C. Litigation
 - D. Mitigation
21. Which of the following circumstances might be addressed in a project plan's change-management document:
- A. A project's changing purpose
 - B. A natural disaster
 - C. A holiday such as Christmas or Hanukkah
 - D. A team member receiving a requested promotion
22. Companies today are embracing authentic, ethical marketing, and they are considering how operations impact their external stakeholders, including local communities. This observation supports which of the following global trends:
- A. More specialized business education
 - B. Rise of digital nomadism
 - C. Growth of the gig economy
 - D. Growing importance of social responsibility

23. In what section of a research report would a writer place the following statement:

"A study conducted by York University indicated that many U.S. pharmaceutical companies are spending twice the money on their promotional efforts as they are on product research and development."

- A. Introduction
- B. Conclusion
- C. Methodology
- D. Results

24. When a manager is directing, they are

- A. identifying resources.
- B. initiating action.
- C. evaluating feedback.
- D. setting goals.

25. Which of the following is true of internal record maintenance:

- A. It helps you determine your profit.
- B. All records must be kept for the life of the business.
- C. It is important solely for tax purposes.
- D. It isn't necessary for new or small companies.

26. Which of the following is a way in which ethical quality management benefits employees:

- A. It makes products cheaper.
- B. It leads to customer satisfaction.
- C. It creates greater product availability.
- D. It fosters open communication.

27. Business process improvement focuses on reducing process time, minimizing waste/inefficiencies, and _____ of an established business process.

- A. developing protocols
- B. eliminating quality control
- C. improving output quality
- D. reducing oversight

28. How can an organization promote knowledge management from the top down?

- A. Rewarding individual achievement
- B. Providing the right technology
- C. Valuing competitiveness
- D. Encouraging a quiet workplace

29. Peter is a manager for a company. When he informs the company that he is leaving, what should the company do to protect its digital assets?

- A. Remove backups of all of Peter's data and files.
- B. Retrieve Peter's work-related usernames and passwords.
- C. Delete Peter's files immediately to ensure security.
- D. Store Peter's personal information in a database.

30. When choosing team members for a collaborative project, you should avoid
- A. people who always insist on doing things in the same way.
 - B. people with unique backgrounds and different perspectives.
 - C. employees who are highly skilled and experienced.
 - D. experts with highly technical knowledge.
31. The executive summary is the most critical part of a business plan. Which of the following should be included in the executive summary of a business plan:
- A. Owner or CEO's name
 - B. Price of goods/services offered
 - C. Names of key employees
 - D. Mission statement
32. What common pitfall might project teams encounter when developing a work breakdown structure?
- A. Using the work breakdown structure to replace the project schedule
 - B. Listing all work breakdown structure components as deliverables
 - C. Creating a corresponding work breakdown structure dictionary
 - D. Including all relevant individuals to help develop the work breakdown structure
33. What might result if a business's merchandising budget called for purchasing more goods than customers wanted?
- A. Additional sales
 - B. Surplus profit
 - C. Expanded market
 - D. Increased costs
34. Which of the following situations demonstrates how digital communications expose businesses to risk:
- A. A company's email server is hacked, and sensitive data is leaked.
 - B. A business welcomes the public into its building for a lecture series.
 - C. A company regularly participates in international conferences.
 - D. An employee uses their personal computer to play games.
35. Which of the following is an example of receiving information:
- A. Looking at a list of random addresses
 - B. Taking a language course
 - C. Reading a travel itinerary
 - D. Learning to take someone's temperature
36. Sonya wants to show her project team members the logical relationships among activities in their project. What format should she use to present this information?
- A. Milestone and deliverable chart
 - B. Bar chart
 - C. Project schedule network diagram
 - D. Project calendar

37. What technological advancement has made project management software accessible no matter where employees are located?
- A. Automation
 - B. Cloud computing
 - C. Radio frequency identification
 - D. Augmented reality
38. Which of the following is most likely to have a serious negative impact on a developed country's ability to participate in world trade:
- A. Foreign exchange rate
 - B. Unstable government
 - C. Difference in language
 - D. Technological advances
39. Employees' creative suggestions often result in changes that increase _____ and reduce expenses.
- A. costs
 - B. losses
 - C. conflict
 - D. efficiency
40. Customers who use revolving credit accounts are required to pay an additional cost on any balance unpaid at the end of each payment period. Which of the following terms refers to this added cost:
- A. Annual fee
 - B. Interest rate
 - C. Installment payment
 - D. Finance charge
41. Premiere Office Supplies used to make enough revenue through existing customer reorders, but lately, many customers have begun ordering from YourOffice, a new retailer. Therefore, Premiere Office Supplies had to change its sales process to increase revenue due to
- A. growth.
 - B. technology.
 - C. regulation.
 - D. competition.
42. Which of the following is a reason for a company to locate its manufacturing operations close to its target market:
- A. Shipping costs tend to be lower if a product is manufactured closer to customers.
 - B. Quality standards are decreased if customers know the laborers personally.
 - C. Labor costs tend to be lower in areas that have both customers and workers.
 - D. Packaging costs are greatly reduced in areas where only one language is used.
43. An important aspect of using technology in customer relationship management involves
- A. posting customer information on the business's website.
 - B. allowing employees to have complete access to customer information.
 - C. updating customer information in the computer database.
 - D. providing customers with excessive product information.

44. A standard purchase order should include product specifications, quantities, prices, and
- A. the invoice code.
 - B. credit references.
 - C. shipping requirements.
 - D. location of buyer's customer.
45. Which of the following is a way that employees who handle sales transactions can help save the business money:
- A. Accepting coupons
 - B. Neglecting to validate credit cards
 - C. Watching for counterfeit money
 - D. Counting out too much change
46. Silence is an effective negotiating technique to use with a vendor when a business wants the vendor to
- A. maintain its authority.
 - B. make a concession.
 - C. obtain leverage.
 - D. initiate a gridlock.
47. Maggie is writing an analytical report for the company's board of directors. She knows that some of the board members will disagree with the conclusions that she plans to present in the report. What should Maggie do to appeal to these board members?
- A. Provide unrelated facts to distract readers from the primary issue
 - B. Include several colorful graphs and diagrams
 - C. Develop a comprehensive bibliography
 - D. Focus on the evidence that supports her conclusions
48. What can businesses do to reduce risks associated with noncompliance?
- A. Monitor regulations
 - B. Evaluate competitors
 - C. Allocate operating funds
 - D. Obtain customer feedback
49. Which of the following is the starting point for a new civil litigation case:
- A. Discovery
 - B. Preliminary hearing
 - C. Complaint
 - D. Indictment
50. What is a proactive strategy a company can use to help prevent its customers' private information from being exposed to the dangers of a data breach?
- A. Deal with data breaches immediately
 - B. Maintain personal data forever
 - C. Train employees how to handle data breaches
 - D. Avoid collecting unnecessary data

51. Joseph is the vice president of finance for a large corporation. Recently, he told his sister to dump her stock in the company because it is about to declare bankruptcy. In some countries, Joseph could go to prison for breaking laws pertaining to
- A. insider trading.
 - B. money laundering.
 - C. embezzlement.
 - D. bribery.
52. What management function is responsible for coordinating resources in ways that maximize efficiency?
- A. Controlling
 - B. Directing
 - C. Staffing
 - D. Organizing
53. A company is making big changes to its database. When should the company make these changes?
- A. At the beginning of the work week
 - B. Over the employees' lunch breaks
 - C. Never—changes should not be made to a database.
 - D. After work hours or when employees have downtime
54. Lyla is thinking about expanding her business internationally. However, she is worried that _____ might negatively affect her ability to compete in a foreign market.
- A. time horizons
 - B. investment returns
 - C. trade barriers
 - D. systematic withdrawals
55. When Charlyne buys gas for her car, she doesn't have to pay any tax in addition to the price of the gasoline. Why is this?
- A. Charlyne must pay the tax later on her own.
 - B. The flat tax means that Charlyne doesn't have to pay taxes on gasoline.
 - C. Charlyne is paying a property tax that is already included in the purchase price.
 - D. Charlyne is paying an excise tax that is already included in the purchase price.
56. What should project managers do to ensure that team members will perform their designated tasks efficiently?
- A. Provide a team evaluation form
 - B. Correct the team members' mistakes for them
 - C. Ask team members if they like their assignments
 - D. Communicate their roles and responsibilities to them
57. Dylan has been tasked with researching his company's employee satisfaction levels over the last 10 years. After determining that satisfaction levels have decreased, Dylan decides to write a recommendation report for his company. Which of the following should be included in his follow-up report:
- A. A summary of Dylan's experience working with a previous company
 - B. Specific, measurable actions that he recommends for improving satisfaction levels
 - C. A report on competitors' employee satisfaction levels for comparison
 - D. General, overarching goals for employee satisfaction over the next 30 years

58. Which of the following is an example of a project manager motivating a project team:
- A. Tamara recognizes how hard her team is working, so she provides lunch for the team members.
 - B. Marcus tells Thomas that he might work more efficiently if he performed one task before another one.
 - C. Zoey sends an email requesting each team member provide her with a weekly activity report.
 - D. Ryan advises Samantha that she will need to perform additional duties while Maggie is on vacation.
59. Sandra is a manager at a distribution plant. Lately, her customers have been complaining about untimely deliveries. Which area of the business does Sandra need to focus on to ensure on-time delivery?
- A. The sales force
 - B. Supply chain management
 - C. Inventory control
 - D. Production
60. Jorge is sharing a humorous story with his audience members, who are looking at him and laughing. Jorge can assume that the audience is
- A. inspired.
 - B. engaged.
 - C. informed.
 - D. persuaded.
61. Which of the following is an advantage of using technology in accounting:
- A. Using technology makes accounting more efficient.
 - B. Technology may make information less secure.
 - C. Technology eliminates accounting mistakes.
 - D. Employees require training to use the technology.
62. Records that contain information about a business's monetary transactions and money are most likely to be - _____ records.
- A. asset
 - B. budget
 - C. tax
 - D. financial
63. Businesses have an ethical obligation to make sure the products they sell to customers are
- A. name-brand.
 - B. inexpensive.
 - C. safe to use.
 - D. marketed well.
64. Which of the following statements regarding captive insurance is true:
- A. Captive insurance companies are able to get away with simply serving as “reserve accounts” for saving money in case of emergency.
 - B. There is no financial advantage to forming a captive insurance company rather than using a traditional insurance company.
 - C. Tax laws generally require that the insured demonstrate that they will be materially harmed if financial losses occur to the captive insurer.
 - D. Businesses or industries often form captive insurance companies to evade tax laws.

65. What is the potential benefit to a business that continuously takes action to improve the quality of its goods and services?
- A. Higher costs
 - B. Increased product options
 - C. Higher demand
 - D. Increased premiums
66. What is a negative effect of employees who are unwilling to share tacit knowledge with one another?
- A. More disclosure
 - B. Low efficiency
 - C. High cohesiveness
 - D. Less competition
67. A business analysis indicates that the TWB Corporation could save \$125,675 a year in paper purchases if all its employees decreased photocopying activities by 15%. The analysis provides TWB with important information related to
- A. waste reduction.
 - B. return on investment.
 - C. resale goods.
 - D. efficiency levels.
68. Which of the following elements of supply chain management involves making sure that supply chain processes happen on time, on budget, and are of quality:
- A. Integration
 - B. Purchasing/Supply
 - C. Operations
 - D. Distribution/Logistics
69. Kari noticed a couple of withdrawals from her bank account that she did not make. Two days later, she received mail from a medical provider about a treatment she didn't get. Which of the following types of consumer fraud did Kari most likely suffer from:
- A. Debt collection fraud
 - B. Identity theft
 - C. Phishing
 - D. Credit card fraud
70. Jillian is working on a knowledge management project. Her company wants to capture and understand how and why its managers use a certain collaboration software at work. To help her retrieve this information, Jillian carefully observes managers going about their daily routines using the software in question. She also asks the managers various questions about the software, such as "How does this tool make your life easier?" Jillian is attempting to retrieve _____ knowledge.
- A. embedded
 - B. explicit
 - C. understood
 - D. tacit

71. Why has the use of risk modeling increased in recent years?
- A. Less focus on efficiency
 - B. Wider availability of data
 - C. More expensive technology
 - D. Decreased regulation
72. Which of the following is a disadvantage of process thinking:
- A. It intentionally ignores past and future events.
 - B. It doesn't help solve complex challenges.
 - C. It lowers quality and customer loyalty.
 - D. It decreases profitability and efficiency.
73. An employee approaches a regular customer who appears to be looking for a specific item and says, "Good morning, Mr. Henderson, may I direct you to a particular product?" Is this the most appropriate way to deal with that customer?
- A. No, employees are not expected to have conversations with customers.
 - B. Yes, employees should always greet customers and call them by name.
 - C. Yes, employees should be well informed and able to help customers.
 - D. No, employees are too busy to pay attention to only one customer.
74. One of the most common reasons why a defendant may choose to settle a legal dispute out of court is to
- A. earn the respect of a jury.
 - B. avoid the high costs of going to trial.
 - C. prove the defendant's innocence.
 - D. turn the ordeal into a public spectacle.
75. Which of the following gives project teams the opportunity to identify areas of inefficiency, record their processes, and document knowledge gained from experience:
- A. Lessons-learned document
 - B. Scope statement
 - C. Project charter
 - D. Work breakdown structure
76. A manufacturing company uses Six Sigma as a quality management framework. This means that the company
- A. produces only 3.4 defects per million parts.
 - B. uses an IT-oriented approach to quality management.
 - C. follows the plan-do-check-adjust approach.
 - D. has created its own quality management framework.
77. The purpose of a project charter is to
- A. determine when key deadlines will be met.
 - B. define what needs to be accomplished.
 - C. document what went well during a project.
 - D. break down work into smaller activities.

78. Which of the following is a process involved in closing a project:
- A. Transferring deliverables
 - B. Establishing a project charter
 - C. Contracting suppliers
 - D. Managing changes
79. Sasha recently announced that she is planning an overnight company outing in a state park. Since that announcement, several members of her team have expressed concern about the event because of rumors of bear attacks in the area. What is the first thing that Sasha should do to determine the actual level of risk associated with camping at the park?
- A. A SWOT analysis
 - B. A risk assessment
 - C. Risk communication
 - D. Environmental scan
80. When a company has fostered a negative work culture, employees tend to distrust their managers and coworkers and are less likely to
- A. complete their assignments on time.
 - B. accept jobs offers from other employers.
 - C. use personal leave time.
 - D. share their work-related tacit knowledge.
81. What do many businesses use to log on to their computer systems in order to prevent unauthorized employees from accessing confidential data?
- A. Passwords
 - B. Crawlers
 - C. Bookmarks
 - D. Handles
82. As a result of conducting an environmental scan, a business might find that the rate of unemployment is slowly increasing, which is an example of a(n) _____ factor.
- A. political
 - B. economic
 - C. regulatory
 - D. geographic
83. What information does a business always need to have when it conducts a break-even analysis?
- A. Variable costs and fixed costs
 - B. Production time and depreciation rates
 - C. Production time and variable costs
 - D. Fixed costs and depreciation rates
84. Which of the following is an effect of overstaffing:
- A. Exhausted workers
 - B. Inefficiency
 - C. Poor customer service
 - D. Low morale

85. Which of the following is an example of a customs regulation:
- A. Citizens must receive specific vaccinations before traveling to certain countries where disease is prevalent.
 - B. Corporations that hire illegal immigrants must pay fines to the government.
 - C. A country has issued a travel advisory for certain foreign nations that encourages citizens to take extra precautions.
 - D. Citizens are not allowed to bring fresh fruits and vegetables back with them upon reentering the country.
86. Which of the following is an action that a business can take to capture tacit knowledge from its employees:
- A. Obtaining statistical reports from the internet
 - B. Holding customer focus groups
 - C. Conducting personal interviews
 - D. Developing a competitive analysis
87. One way for employees to enhance their career progression sometimes involves
- A. changing jobs.
 - B. accepting criticism.
 - C. following rules.
 - D. working safely.
88. A research firm develops a new computer software algorithm that significantly increases data analysis speed and accuracy. How can the company ensure that the algorithm qualifies for trade secret protection?
- A. Register it as a trade secret
 - B. Provide it on the market as an open-source product
 - C. Require employees to sign nondisclosure agreements
 - D. Register it as a patent
89. A business owner who prefers to maintain complete control of all business activities might consider structuring their venture as a(n)
- A. limited liability company.
 - B. general partnership.
 - C. sole proprietorship.
 - D. "S" corporation.
90. An assistant bank manager overhears one of their tellers incorrectly quote a savings-account interest rate to a potential customer. Rather than waiting until later to address the problem, the manager corrects the teller immediately and makes sure the teller gives the customer the correct information. Which of the following controls is taking place:
- A. Preventive control
 - B. Post control
 - C. Concurrent control
 - D. Feedback control

91. If a company wants to ensure that changes are implemented in the best possible way and that those changes will lead to long-term benefits, it should use the _____ approach.
- A. change-management
 - B. solution-finding
 - C. problem-solving
 - D. change-avoidance
92. Avery is a recent college graduate who is not working and is actively looking for a job. This is an example of _____ unemployment.
- A. relational
 - B. frictional
 - C. structural
 - D. cyclical
93. Which of the following is an example of how technology can impact supply chain management:
- A. A consulting company hires 50 new entry-level information technology employees.
 - B. A new law is passed requiring distribution centers to follow additional safety regulations.
 - C. A major hurricane damages several storage facilities and causes delivery delays.
 - D. A manufacturing firm tracks its inventory using a digital warehouse management system.
94. Tyler has been assigned to research new ways of storing customer data for his company. The company's current information database is out of date and out of space. Tyler decides to write an analytical report with his recommendations. Before beginning his research, however, Tyler should
- A. write initial recommendations for the company.
 - B. draft a problem statement and a purpose statement.
 - C. gather information from his coworkers that use the database.
 - D. draw conclusions from the information he knows so far.
95. Stress and fatigue are _____ factors that can affect business process design.
- A. regulatory
 - B. government
 - C. technological
 - D. human
96. After a power outage, the point-of-sale software at Leif's Fine Treats malfunctions, meaning the store is unable to complete any customer purchases. What type of planning would be most effective in this situation?
- A. Operational
 - B. Tactical
 - C. Contingency
 - D. Strategic
97. During arbitration, several neutral third party arbitrators help resolve a dispute. In general, each party chooses an arbitrator, and a third is appointed jointly by the two arbitrators chosen. How is this different from mediation?
- A. The goal of mediation is not to resolve a conflict but to uncover evidence.
 - B. Typically only one neutral third party is appointed during mediation.
 - C. The process of mediation does not require a third party to be neutral.
 - D. Arbitration and mediation are two words that describe the same thing.

98. Which of the following statements about protecting digital customer data is true:
- A. Protecting digital customer data is only necessary for large businesses.
 - B. Data protection strategies should be reevaluated often.
 - C. A company's protection of data has little impact on the customer's perception of the company.
 - D. Protecting digital customer data is a responsibility of the IT department.
99. Which of the following statements best describes the relationship between people and change management:
- A. Good employees do as they are told.
 - B. Change happens one person at a time.
 - C. People embrace change automatically.
 - D. Rapid changes boost employee morale.
100. You check in with your group members often to make sure everyone is on track to finish the project. Which characteristic of open, honest communication are you demonstrating?
- A. Allowing for conflict
 - B. Giving people the information they need
 - C. Avoiding half-truths
 - D. Being consistent and ongoing



KEY

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1. B

Groupware. Groupware or collaborative computer software allows many employees to access and share information, including tacit knowledge. Some applications, such as email and instant messaging, allow employees to instantly transmit messages to coworkers who are in remote locations. The primary use of spreadsheet applications is to show numerical information in a logical format. Businesspeople use presentation software to develop visual aids that support their business presentations. Businesses use recovery applications to back up their computer data. The backed up data can be used if the computer systems break or fail.

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

SOURCE: UsabilityFirst. (2002-2015). *Introduction to collaborative software*. Retrieved September 21, 2023, from <http://www.usabilityfirst.com/about-usability/web-application-design/collaborative-software-groupware/introduction-to-collaborative-software/>

2. C

Sky High. Investors often calculate the price-to-cash flow ratio (P/CF) of potential investments to compare their relative worth. If particular investment's P/CF is lower compared to others in the same industry, the market has probably undervalued that stock. To determine which of the four airline's stock is most likely to be undervalued, calculate the price-to-cash flow ratio of each company. The price-to-cash flow ratio can be found by dividing the current stock price by the cash flow per share (Sky High: $\$14.36 / \$5.21 = 2.76$; Smooth Flying: $\$22.78 / \$4.12 = 5.53$; Soar the Sky: $\$18.50 / \$3.59 = 5.15$; White Clouds: $\$25.81 / \$6.94 = 3.72$). Since Sky High's price-to-cash flow ratio is lowest, it is most likely to be undervalued.

SOURCE: FI:541 Interpret cash-flow statements

SOURCE: Hayes, A. (2022, March 21). *Price-to-cash-flow (P/CF) ratio?* Retrieved September 21, 2023, from <http://www.investopedia.com/terms/p/price-to-cash-flowratio.asp>

3. A

Companies should avoid adding suppliers and competitors to customer records because it reduces the accuracy of those records. Adding suppliers and competitors to customer records could cause confusion. Supplier and competitor information should be stored in separate records where the information can be used effectively. The process of updating customer information should be limited to a few employees to ensure that changes are made accurately and that the information is kept confidential. Information changes frequently, so customer records should be updated at least once a year to maintain accurate information. Information found on the internet may not be reliable, so complete records should be created by asking the customer to provide the necessary information.

SOURCE: NF:002 Maintain customer records

SOURCE: Entrepreneur. (2023). *Sales records*. Retrieved September 21, 2023, from <https://www.entrepreneur.com/encyclopedia/sales-records>

4. B

Work breakdown structure. A work breakdown structure (WBS) is a document that details the division of a project workload into smaller, more manageable parts. Work breakdown structures are especially helpful for complex projects that require many different deliverables, such as Jenna's. With a WBS in place, Jenna's team could have better understood each of the project's requirements and made a plan for their successful completion. Jenna's team would not necessarily have benefitted from a risk management plan, which outlines what employees should do to avoid and deal with business risk. A performance review probably would not have helped them either, since they did not know how to tackle their project in the first place. Lean management is a type of management that attempts to reduce waste (wasted time, materials, space, etc.) while maximizing output. Lean management would not necessarily have helped Jenna's team understand their project.

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

SOURCE: Markgraf, B. (2019, January 28). *The importance of a work breakdown structure*. Retrieved October 8, 2023, from <https://smallbusiness.chron.com/importance-work-breakdown-structure-54294.html>

5. C

Cover all of the critical aspects of the complaint. Your objective in documenting the resolution of an employee complaint is to have proof of the way in which the problem was resolved. You should record the critical aspects of the complaint and the disposition of the problem and keep a copy in an individual's personnel file and/or in a master complaint/grievance file. This documentation, which need not be lengthy, can be quite useful, especially in case of a grievance or a lawsuit. The documentation is the manager's responsibility and should not be delegated to an employee.

SOURCE: HR:366 Handle employee complaints and grievances

SOURCE: Kluwer, W. (2020, December 9). *How to effectively deal with employee's complaints*. Retrieved October 8, 2023, from <https://www.wolterskluwer.com/en/expert-insights/how-to-effectively-deal-with-employees-complaints>

6. A

Share relevant information. To maintain favorable relationships with its vendors, a business should share relevant information. Open, frequent, and honest communication can build trust and respect, which facilitate long-term business relationships. A competitive orientation may help the business achieve short-term goals, but may damage long-term vendor relationships. Automating ordering processes and requesting volume discounts will not always help the business maintain long-term relationships with its vendors.

SOURCE: OP:241 Maintain vendor/supplier relationships

SOURCE: Klugerman, Y. (2017, November 14). *Top 7 ways to build and maintain strong vendor relationships*. Retrieved September 21, 2023, from <https://feedvisor.com/resources/e-commerce-strategies/top-7-ways-build-strong-relationships-vendors/>

7. C

Currency exchange rates. Inflation influences the balance of trade between countries through its effect on currency exchange rates. Currency exchange rates are a measure of the value of one country's money in relation to another's. When inflation is much higher in one country than in another, businesses in that country are in a weaker competitive position. Menu costs are the expenses involved with changing prices; they are not a direct influence on the balance of trade. The Consumer Price Index is an inflation-monitoring tool; it does not affect inflation. The availability of commodities may affect inflation, but inflation does not affect the availability of commodities.

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

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

8. B

Business analysis. Business analysis is the investigation into the operations of a business to reveal the causes behind specific results and the effects of those results on the business. Managerial accounting is the process of identifying and analyzing financial information to help managers make informed business decisions. Becky is not recommending solutions to her boss; she is simply doing research. Therefore, she is not performing managerial accounting. Data normalization is the process of organizing data to reduce data redundancy, and marketing research is research related to a company's marketing efforts. Becky's boss is not asking her to perform either of these types of work.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: International Institute of Business Analysis. (2023). *What is business analysis?* Retrieved September 21, 2023, from <https://www.iiba.org/professional-development/career-centre/what-is-business-analysis/>

9. A

Prevention. Prevention costs are the costs associated with making sure defective products don't get made in the first place (quality assurance). These costs could include the design and engineering process, hiring and training capable employees, purchasing high-quality equipment and materials, etc. Appraisal costs are the costs associated with catching defective products as quickly as possible (quality control). Internal failure costs are the costs associated with defective products *before* they make it to the customer. External failure costs are the costs associated with defective products that have reached the customer.

SOURCE: QM:001 Explain the nature of quality management

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

10. C

Reference group. Even social groups that people *don't* belong to can affect their buying behavior. These are called reference groups, and they include groups someone aspires to be a part of as well as groups they want to *distance themselves* from. In this example, Brendon's buying behavior is being influenced by a reference group—specifically, professional basketball players. His behavior is not being influenced by a membership group or a subculture in this example. A membership group is a group that someone is a part of, such as a church or sports team. A subculture is a culture within a larger culture, such as Hispanics in the United States. An association group is not generally a term used to describe a particular influence on buying behavior.

SOURCE: MK:014 Explain factors that influence customer/client/business buying behavior

SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)

11. D

Considering employees' suggestions. Enthusiastic, motivated workers are much more productive than disinterested, unmotivated ones. Managers can help motivate employees by giving serious consideration to employees' ideas or suggestions. Employees who feel that their suggestions for improvement or change will be taken seriously and implemented, if possible, usually are motivated to perform well and be productive because they feel that the business appreciates them. Some businesses develop automated systems and find ways to standardize tasks to increase productivity, but these factors are not related to motivating employees. Offering inflexible working hours is not likely to motivate employees.

SOURCE: EC:013 Explain the concept of productivity

SOURCE: LAP-EC-018—Make the Most of It (Productivity)

12. D

Government regulations. Numerous factors—both internal and external—influence management. Government regulations, for example, are an external factor that could affect managerial decision-making. New company leadership, budgeting and forecasting, and a company mission statement are all internal factors that could impact what management does.

SOURCE: SM:028 Describe factors that influence management

SOURCE: Gleeson, P. (2019, March 11). *Internal & external factors that affect an organization*. Retrieved October 8, 2023, from <https://smallbusiness.chron.com/internal-external-factors-affect-organization-16641.html>

13. A

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

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

SOURCE: Pearson, S. (2021). *Importance of process thinking in business management*. Retrieved September 21, 2023, from <https://tallyfy.com/process-thinking/>

14. C

It reduces risks that arise from making changes without considering the project as a whole. The Perform Integrated Change Control process involves reviewing all change requests, approving changes, and managing changes. Without this process, changes would not be thoroughly considered and analyzed before being made, which could bring risks and unintended consequences. Performing integrated change control does not allow all changes to be accepted; some change requests are denied. The Perform Integrated Change Control process does not necessarily provide the team with areas for improvement; instead, this is a function of the Close Project process. Finally, the Perform Integrated Change Control process includes both changes to the project documents and changes to the deliverables and processes.

SOURCE: PJ:009 Execute and control projects

SOURCE: Mind Tools. (2023). *Critical path analysis and PERT charts: Planning and scheduling more complex projects*. Retrieved September 22, 2023, from <https://www.mindtools.com/atzi5xr/critical-path-analysis-and-pert-charts>

15. D

Networking with others. Networking involves connecting with others for the purpose of professional development or advancement. Many people obtain job leads by talking with family, friends, school counselors and alumni, former supervisors and coworkers, etc. In the example, Tracy's friend worked for the company that she was interested in working for. Tracy was not setting up a meeting; instead, she hoped that David could influence the hiring manager to set up an interview. Although volunteering and interning are ways to network with others, Tracy was not engaging in those activities in the situation described.

SOURCE: PD:037 Use networking techniques to identify employment opportunities

SOURCE: JobMonkey. (2019, December 12). *9 reasons to join a professional organization*. Retrieved September 21, 2023, from <https://www.jobmonkey.com/join-professional-organization/>

16. C

Informal organizational structure; formalized, complex structure. The size of the organization impacts decision-making in regard to organizing. Larger companies tend to have more complicated structures and need more formalized organization. On the other hand, smaller companies might not need a complex, structured organizational process. The size of the organization is not necessarily related to the span of control; additionally, a small organization could be more likely to have a wide span of control than a narrow span of control. Specialization and the division of labor are not necessarily related to the size of the organization. All organizations' chains of command should have the principle of the unity of command and the scalar principle, regardless of size.

SOURCE: SM:064 Explain managerial considerations in organizing

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

17. B

Supply chain networks are more complex and show how information and materials flow back and forth among various supply chain partners. Supply chain networks include a greater number of partners than the basic supply chain outline and show more complex relationships among these partners. Supply chain networks involve every company or entity that is involved in the production of a certain product or service, including companies involved in both upstream and downstream processes. The supply chain network is an evolved version of the basic supply chain and is considered more modern and sophisticated. The supply chain network is generally accepted as the new way of viewing the supply chain and is in widespread use today.

SOURCE: OP:479 Describe supply chain networks

SOURCE: Forrest, M. (2023, September 21). *What is supply chain network design and how does it work?* Retrieved September 22, 2023, from <https://carto.com/blog/what-is-supply-chain-network-design-how-does-it-work>

18. A

Foreign currency exchange. The rate of exchange between foreign currencies is constantly fluctuating. If a foreign currency's value decreases significantly, companies may lose money. It is important for companies to consider this risk before engaging in international business. Environmental fluctuations, domestic financial policies, and governmental regulations are also important to consider before expanding into a foreign country; however, they are not described in this example.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Saint-Leger, R. (2019, January 25). *Risk involved in an international business*. Retrieved September 22, 2023, from <https://bizfluent.com/info-7766597-risk-involved-international-business.html>

19. C

Elevators. Governments develop regulations to ensure the public's safety. Government regulations require businesses to have their elevators inspected on a regular basis by a government agent or independent entity to ensure that elevators are running correctly. During the inspection, the inspector might identify problems with the elevators that compromise the employees' and visitors' safety. By identifying the problems, the business can repair the elevators so they operate correctly and are in compliance. Photocopiers, computer networks, and portable cameras are equipment rather than components of the facility.

SOURCE: OP:339 Discuss legal considerations in operations

SOURCE: Schindler. (2023). *Tips for riders*. Retrieved September 21, 2023, from <https://www.schindler.com/us/internet/en/about-us/safety/tips-for-riders.html#button>

20. B

Mediation. Mediation is the process in which a neutral third party works to help opposing parties resolve a conflict. Arbitration is similar to mediation but can involve a panel of neutral third-party members who make a binding decision to solve the dispute. Litigation occurs when a dispute is settled in court. Mitigation is an aspect of decision-making in litigation.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: Shonk, K. (2023, August 7). *What is an arbitration agreement?* Retrieved September 21, 2023, from <https://www.pon.harvard.edu/daily/conflict-resolution/what-is-an-arbitration-agreement/>

21. B

A natural disaster. A natural disaster is something that might be addressed in a project plan's change-management document because it is an unforeseen circumstance that can't be planned for. A holiday is a known, scheduled occurrence—a project manager can plan ahead and schedule around it. A project's purpose should not change once it is underway. A team member receiving a requested promotion would fall under risk management because it is a known possibility.

SOURCE: OP:001 Develop project plan

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

22. D

Growing importance of social responsibility. Companies today are embracing authentic, ethical marketing, and they are considering how operations impact their external stakeholders, including local communities. This supports the growing importance of corporate social responsibility, which is a business model that helps companies integrate social and environmental accountability to the company, its stakeholders, and the public. The observation does not directly support more specialized business education, the growth of the gig economy, or the rise of digital nomadism.

SOURCE: EN:003 Assess global trends and opportunities for business ventures

SOURCE: Eira, A. (2023, September 18). *16 entrepreneurship trends for 2022/2023: New forecasts & a look into what's ahead*. Retrieved October 8, 2023, from <https://financesonline.com/entrepreneurship-trends/>

23. A

Introduction. The purpose of a research report is to summarize information gathered from an investigation. Companies often review the research report and use it to make business decisions. Research reports contain several sections. The introduction states the problem, purpose, and significance of the investigation. Often, the introduction includes background or historical information and statistical data that have already been gathered, which relates to the problem or purpose of the study. Because the statement focuses on a study that York University has already published, the statement should be included in the background component of the report's introduction. The methodology section focuses on the procedures used to gather the information for the study. The conclusion discusses the research findings and may include recommendations. The analysis is provided in the results section of a research report.

SOURCE: CO:186 Write research reports

SOURCE: Center for Innovation in Research and Teaching. (n.d.). *Components of a research paper*. Retrieved September 21, 2023, from <https://cirt.gcu.edu/research/developmentresources/tutorials/researchpaper>

24. B

Initiating action. The directing function of management is the process of providing guidance to workers as they work. When a manager is directing, they are initiating action to get the work done. Setting goals occurs during the planning function. Identifying resources is part of the planning function. Evaluating feedback is a part of the control function.

SOURCE: SM:066 Discuss managerial considerations in directing

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

25. A

It helps you determine your profit. If you don't pay attention to or maintain records, you'll have no idea how much your business is selling or where you're losing money. It's important to maintain good records so you can determine your profit. Records help you keep track of sales, prices, and inventory, all of which help you determine how much money your business is actually making. Record maintenance isn't just important for tax purposes—it's helpful with all aspects of business planning! Internal record maintenance is important for all companies, whether they're big, small, new, or old. In fact, record maintenance can help a small company identify opportunities and grow into a larger company. While it's important to keep some records indefinitely (income tax returns, for example), some records only need to be kept for a much shorter amount of time. For example, there's no need to keep every receipt forever.

SOURCE: NF:014 Monitor internal records for business information

SOURCE: IRS. (2023, March 22). *Why should I keep records?* Retrieved September 21, 2023, from <https://www.irs.gov/businesses/small-businesses-self-employed/why-should-i-keep-records>

26. D

It fosters open communication. Ethical quality management comes with several benefits for those inside and outside an organization. Ethical quality management fosters open communication and encourages teamwork. Employees will feel supported by their employers and colleagues, and they won't be afraid to ask for or offer help. Strong teamwork within an organization can break down barriers among individuals and departments and lead to better problem-solving. This contributes to a better overall culture, and employees will want to be a part of that. Customer satisfaction, cheaper products, and greater product availability are ways in which ethical quality management can potentially benefit customers, not employees.

SOURCE: QM:012 Discuss ethical considerations in quality management

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

27. C

Improving output quality. Once a business process has been established, focus turns to improving that process. Recognizing the need for these improvements tends to focus on maximizing the quality of the process's end result without increasing the amount of input or materials cost. Reducing waste and cost and maximizing quality are measures of the efficiency of a process, and efficiency is a central goal of process improvement. Reducing oversight may result from the improvement of a process, but it is not a chief consideration unless that oversight is shown to be wasteful. Quality control is a central driver of process improvement. Developing protocols should largely happen at the process design stage, not the improvement stage.

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

SOURCE: Kothari, A. (2021). *Business process improvement (bpi)—definition, steps & methodologies*. Retrieved September 21, 2023, from <https://tallyfy.com/business-process-improvement-bpi/>

28. B

Providing the right technology. An organization can promote knowledge management by providing helpful tools such as a company intranet or other knowledge management technology. Rewarding individual achievement can discourage knowledge management; instead, top-level management should recognize collaboration and teamwork. Instead of encouraging a quiet workplace, organizations should encourage communication and regular meetings. Finally, valuing competitiveness can decrease knowledge management because employees might look out for their own self-interest rather than share knowledge with one another.

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

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

29. B

Retrieve Peter's work-related usernames and passwords. When an employee leaves a company, there is a security risk if that employee still has access to the company's digital assets. Peter's usernames and passwords to company social media accounts, websites, etc. should be retrieved and either deleted or changed. Removing backups of all of Peter's data and files is not practical because those data and files might be important to the company as a whole. Peter's files should not necessarily be deleted immediately because they might be needed by the company. Finally, storing Peter's personal information in a database will not necessarily protect its digital assets.

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

SOURCE: AuditBoard. (2021, June 9). *How to protect your digital assets in 2022*. Retrieved September 22, 2023, from <https://www.auditboard.com/blog/how-to-protect-your-digital-assets/>

30. A

People who always insist on doing things in the same way. People who prefer their own methods are less likely to adapt or be flexible enough to collaborate effectively. People who are highly skilled, have unique perspectives, or have highly technical knowledge can all be beneficial to the success of a project.

SOURCE: EI:130 Collaborate with others

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

31. D

Mission statement. The executive summary is the most important part of a company's business plan because it gives an overview of the entire document. It is used to determine whether it is worthwhile to read any further. A mission statement should be included in the executive summary. Other elements of an executive summary include the purpose of the business plan, the goods/services the business provides, and a summary of future plans. A cover page should include the name of the business's owner or CEO. The product(s) offered section should include the price of the goods/services the business offers. The management plan section should include the names of key employees.

SOURCE: SM:013 Develop business plan

SOURCE: LAP-SM-013—Plan for Success (Creating a Business Plan)

32. A

Using the work breakdown structure to replace the project schedule. While the work breakdown structure (WBS) will provide a comprehensive view of the project's milestones and deliverables, it cannot replace the project schedule because it does not always sequence or organize work in order of performance. WBS components should be listed as deliverables (rather than activities or tasks). Many teams find creating a WBS dictionary is a valuable part of the WBS development process. Including relevant individuals in the WBS development process is recommended.

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

SOURCE: Mathis, M. (n.d.). *Work breakdown structure (WBS) purpose, process and pitfalls*. Retrieved September 22, 2023, from <https://www.projectsmart.co.uk/work-breakdown-structure-purpose-process-pitfalls.php>

33. D

Increased costs. Merchandising budgets determine inventory levels by regulating and planning for the amount of products expected to be sold to customers. When there is more merchandise available than customers want, the business's costs increase for storing, protecting, and insuring the excess merchandise. Accurate merchandising budgets help prevent this situation. Purchasing more goods than customers want to buy will not help a business to increase its sales, expand its market, or generate surplus profit.

SOURCE: FI:106 Describe the nature of budgets

SOURCE: LAP-FI-106—Money Tracks (Nature of Budgets)

34. A

A company's email server is hacked, and sensitive data is leaked. Digital communications such as email, text messaging, and chat rooms can expose businesses to risks such as data breaches. Computers, networks, and servers are rarely 100% secure and are often hacked by cyber criminals. A company's email server being hacked is an example of a risk resulting from digital communication. Employees' use of their personal (nonwork) devices for entertainment would not expose a business to risks from digital communication, nor would welcoming the public into a company building or participating in international conferences.

SOURCE: CO:202 Explain how digital communications (e.g., email, text messages, chats) exposes business to risk

SOURCE: Ferguson, J. (2021, March 1). *Keep sensitive data safe: Don't send in emails*. Retrieved October 8, 2023, from

<https://www.buffalo.edu/ubit/news/article.host.html/content/shared/www/ubit/news/2019/keep-sensitive-data-safe.detail.html>

35. C

Reading a travel itinerary. Reading a travel itinerary is an example of receiving information—facts and figures in useful form. A travel itinerary tells you where you are going, when you are going, and what you'll do when you get there. Taking a language course and learning to take someone's temperature are both examples of receiving knowledge. Looking at a list of random addresses is an example of receiving raw data; it might be used for a marketing research study.

SOURCE: KM:001 Explain the nature of knowledge management

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

36. C

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

SOURCE: PJ:010 Manage project schedule

SOURCE: Holohan, R. (n.d.). *6 steps to successful schedules*. Retrieved September 22, 2023, from

<https://www.projectsmart.co.uk/scheduling/6-steps-to-successful-schedules.php>

37. B

Cloud computing. Cloud-based systems started gaining popularity around 2010, allowing employees to access their company's data and software from anywhere. Augmented reality is a technology that superimposes a computer-generated image on a user's view of the real world, while automation is the use of largely automatic equipment in a manufacturing or other type of process. Radio frequency identification technology uses radio waves to identify people or objects. Augmented reality, automation, and radio frequency identification are not technologies that make software accessible no matter where employees are located.

SOURCE: NF:130 Utilize project-management software

SOURCE: Chai, W. (2022). *Cloud computing*. Retrieved October 14, 2023, from <http://searchcloudcomputing.techtarget.com/definition/cloud-computing>

38. B

Unstable government. An unstable government can negatively impact a country's economy and international relations, making world trade difficult to conduct. The foreign exchange rate could have either a beneficial or negative impact on world trade, depending on the currencies involved. A difference in language can make world trade more difficult, but developed nations often speak more than one language, and translators and translation software make language barriers easy to overcome. Technological advances generally impact world trade in positive ways for developed countries.

SOURCE: EC:113 Describe the impact of the political environment on world trade

SOURCE: Juneja, P. (n.d.). *Impact of political stability on businesses and working professionals*. Retrieved September 21, 2023, from <https://www.managementstudyguide.com/impact-of-political-stability-on-businesses-and-professionals.htm>

39. D

Efficiency. Creative thinking often results in suggestions for operational changes that serve to increase efficiency and reduce business expenses. Suggestions that tend to bring conflict, increased costs, and increased losses will probably be unwelcome.

SOURCE: PD:012 Demonstrate appropriate creativity

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

40. D

Finance charge. Finance charges are interest charges on accounts that are not paid in full at the end of each payment period. They are usually a percentage of the total amount due. Annual fees are yearly fees charged for the privilege of using a bank credit card. Interest rates are fees the lender charges the borrower for the use of money. Installment payments are set amounts paid by specific times to repay an installment loan or to pay for an installment credit purchase.

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

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

41. D

Competition. Competition is one reason that businesses might need to change their processes. When YourOffice entered the market, Premiere Office Supplies had to change its sales process because it can no longer rely on its previous process (relying on reorders). While growth, technology, and regulation are also reasons that a business might need to change its processes, these reasons are not related to the given situation.

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

SOURCE: Gleeson, P. (2019, February 12). *Factors that may cause change in an organization*. Retrieved September 21, 2023, from <http://smallbusiness.chron.com/factors-may-cause-change-organization-203.html>

42. A

Shipping costs tend to be lower if a product is manufactured closer to customers. This is especially the case for heavy or large products. Even if raw materials need to be shipped to the manufacturing center from great distances, these raw materials are usually much cheaper and easier to ship than large manufactured items. Proximity to target markets also allows companies to respond more quickly to customer demands. Labor costs tend to be higher in areas where the local population can afford to purchase the products. Customers are not likely to accept poor quality from purchased products even if they know the people who work at a manufacturing plant. Packaging costs relating to which language is used are not likely to affect where manufacturing takes place.

SOURCE: OP:480 Discuss global supply chain issues

SOURCE: Wisner, J.D., Tan, K., & Leong, G.K. (2019). *Principles of supply chain management* (5th ed.) [Lesson 11-2g]. Boston, MA: Cengage Learning, Inc.

43. C

Updating customer information in the computer database. Customer relationship management (CRM) is the combination of strategies, processes, and policies that a business uses to meet or exceed customer expectations and to provide customers with outstanding experiences at every touch point. An important aspect of CRM is ensuring that customer data are current. For example, if the customer notifies the business about a change of address and the business does not update its computer database to reflect the change, the business's promotional mailings and invoices will not reach the customer in a timely manner, if at all. In another situation, a business might have multiple database records for one customer. If the business sends multiple (excessive) copies of promotional materials (e.g., product catalog) to the customer based on the data in the database, the customer may become annoyed. Sending multiple copies of a single mailing to one customer is also a waste of the business's money. To maintain the customer's privacy, the business should not post customer information on its website, nor should it allow its employees to have complete access to a customer's confidential information.

SOURCE: CR:018 Describe the use of technology in customer relationship management

SOURCE: Erin Murphy. (2015, November 16). *Podcast 1- CRM technology changes*. [Video]. Retrieved September 20, 2023, from <https://www.youtube.com/watch?v=J4JvMtupiWc>

44. C

Shipping requirements. A regular or stock purchase order should include all of the necessary information for processing the request, which includes the appropriate quantities and prices of the desired goods. The purchase order should provide the shipping location at the desired time for delivery. In some situations, the buyer may also include the desired shipment method on the purchase order. For example, a business that orders a standard part to repair a piece of equipment may want the part shipped by air to ensure that it receives the part quickly. If the business does not indicate that it needs the item quickly, the vendor may ship it by rail or truck, which would take longer to deliver. Unless the order is a drop shipment, the vendor does not need to know the location of the buyer's customer. The invoice is processed by the vendor rather than the buyer; therefore, the buyer would not provide an invoice code or number. The buyer might need to provide the supplier with credit references from their other vendors if the company is placing an initial order; however, this information is not necessary to provide on regular purchase orders. In most cases, the buyer must complete a different form to list credit references.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Procurify (2021, April 23). *All you ever need to know about purchase orders*. Retrieved September 21, 2023, from <https://blog.procurify.com/2013/09/23/all-you-ever-needed-to-know-about-purchase-orders/>

45. C

Watching for counterfeit money. Employees who handle sales transactions have excellent opportunities to save the business money. They can do this by watching for counterfeit money. An employee who accepts counterfeit money actually costs a business money because the counterfeit currency is worthless. In effect, the business has given away a good or service free of charge. Accepting coupons saves customers money instead of the company issuing them. Employees should always validate credit cards and count out the exact amount of change.

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

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

46. B

Make a concession. A concession is something that one party gives up during a negotiation. Effective negotiators plan the points that they are willing to concede before going to the negotiating table. Often, the negotiator will use silence as a way to make the vendor feel uncomfortable. The business hopes that the vendor might concede the point to fill the silence and keep the discussion going. The business will work to maintain its leverage or power (authority) over the negotiation so it can get what it wants from the vendor. If agreement cannot be reached, the negotiation may end in gridlock, a situation in which neither party gets what it wants.

SOURCE: OP:337 Negotiate terms with vendors in business

SOURCE: Walsh, D. (2021, April 27). *In negotiation, use silence to improve outcomes for all*. Retrieved September 21, 2023, from <https://mitsloan.mit.edu/ideas-made-to-matter/negotiation-use-silence-to-improve-outcomes-all>

47. D

Focus on the evidence that supports her conclusions. An analytical report is a document that explains and evaluates an issue, opportunity, or problem. When developing an analytical report that addresses a controversial issue or contains information that readers might disagree with, Maggie should provide evidence and logical arguments that explain and support her conclusions. By providing evidence and logical arguments, Maggie is more likely to persuade readers to accept the conclusions. Colorful graphics, a bibliography, and unrelated facts are not likely to sway board members into agreeing with the conclusions presented in the report.

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

SOURCE: Layfield, E. (2017, February 18). *How to write an analytical report*. Retrieved September 21, 2023, from <https://penandthepad.com/write-analytical-report-5142708.html>

48. A

Monitor regulations. Risk management is a business activity that involves the planning, controlling, preventing, and procedures to limit business losses. If a business does not comply with laws, the government may fine the business, which could result in substantial financial losses. Therefore, it is important for a business to continuously monitor government regulations to ensure that it is in compliance, and make changes, if necessary, to become compliant. Evaluating competitors, obtaining customer feedback and allocating operating funds are not actions that will reduce risks associated with noncompliance.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: Compliance Quest. (2018, May 24). *Minimizing non-compliance*. Retrieved September 22, 2023, from <https://www.compliancequest.com/blog/minimizing-non-compliance/>

49. C

Complaint. A complaint is the formal document filed by a party in court that demands relief from another party. Discovery comes after a complaint has been filed and deals with the sharing of evidence between two opposing parties in court. A preliminary hearing is generally a criminal hearing. An indictment can start a criminal court case, not a civil court case.

SOURCE: BL:160 Describe the litigation process

SOURCE: Murray, J. (2019, October 17). *The litigation process for business individuals*. Retrieved September 21, 2023, from <https://www.thebalancesmb.com/litigation-and-business-disputes-398330>

50. D

Avoid collecting unnecessary data. Avoiding the collection of unnecessary data is a proactive strategy that a company can use to prevent customers' private information from being exposed to the dangers of a data breach. Personal data should be destroyed when they are no longer needed in order to eliminate the risk of exposure or loss. Dealing with data breaches immediately and training employees on how to handle them do not prevent data breaches from occurring.

SOURCE: OP:473 Evaluate strategies for protecting business' digital assets (e.g., website, social media, email, etc.), customer data, and other protected information

SOURCE: National Cyber Security Alliance. (2015, October 5). *Small and midsize businesses learn to protect their digital assets during national cyber security awareness month*. Retrieved October 8, 2023, from <https://staysafeonline.org/news-press/press-release/small-midsize-businesses-protect-digital-assets/>

51. A

Insider trading. Insider trading involves leaking information to others that is not known to the public. Insider trading laws vary by country, but violators could face imprisonment. In Joseph's situation, he told his sister about the company's bankruptcy before it was made public so she could try to sell her stock before she lost money. Embezzlement involves theft of valuables that have been entrusted to another's care. Money laundering involves legitimizing money that was obtained illegally. A bribe is an illegal payment intended to secure business or products in return.

SOURCE: FI:356 Explain legal considerations for finance

SOURCE: Fedorov, S. (2017, July 27). *The negative effects of insider trading*. Retrieved September 25, 2023, from <https://pocketsense.com/negative-effects-insider-trading-8055278.html>

52. D

Organizing. The organizing function of management focuses on setting up the way the business's work will be done. Organizing involves determining what resources the business needs and how the various resources will work together to accomplish the business's goals in the most efficient ways. Staffing is the management function of finding workers for the business. Directing is the management function of providing guidance to workers and work projects. Controlling is the management function that monitors the work effort.

SOURCE: SM:064 Explain managerial considerations in organizing

SOURCE: Norman, L. (2019, January 28). *What are the four basic functions that make up the management process?* Retrieved September 22, 2023, from <http://smallbusiness.chron.com/four-basic-functions-make-up-management-process-23852.html>

53. D

After work hours or when employees have downtime. Database changes should be made at a time that is the most convenient for employees, such as after work hours or when they have downtime. That way, employee work will have minimum disruptions. Changes need to be made to databases from time to time. These changes should not take place just as employees are beginning their work week. They should also not be made over lunch breaks, since changes may take much longer than the length of a break.

SOURCE: NF:264 Adhere to data change best practices

SOURCE: Unitrends. (n.d.). *Routine SQL database maintenance is essential for the smooth and fast backup SharePoint operation*. Retrieved September 21, 2023, from <https://helpdesk.kaseya.com/hc/en-gb/articles/4407520626833-Routine-SQL-database-maintenance-is-essential-for-the-smooth-and-fast-backup-SharePoint-operation>

54. C

Trade barriers. Trade barriers are a type of political risk that develops when a country unexpectedly changes its policies and negatively affects a business. Trade barriers can place limitations on or even prevent international trade. Other types of political risk include tariffs and quotas. Political risk can affect investment returns, but investment returns do not directly affect a business's competition in a foreign market. Time horizons, the length of an investment, and systematic withdrawals (a strategy to generate retirement income) are not related to risk management or international business.

SOURCE: RM:092 Describe international considerations affecting risk management

SOURCE: Beers, B. (2023, July 17). *Top risks for international business*. Retrieved October 8, 2023, from <https://www.investopedia.com/ask/answers/06/internationalfinancerisks.asp>

55. D

Charlyne is paying an excise tax that is already included in the purchase price. For certain products, the government levies taxes that businesses pay by building the amount into the customer's purchase price. In other words, instead of charging a tax in addition to the product's price, the business just charges a higher price to begin with, using the difference to pay the required tax to the government. These are known as excise taxes. Since Charlyne is paying the excise tax, she does not have to pay the tax later on her own. Property taxes are based on a percentage of a property's value. With a flat tax, every business pays the same percentage, no matter how much profit it makes.

SOURCE: EC:072 Describe the nature of taxes

SOURCE: LAP-EC-072—Pay Your Share (Business Taxes)

56. D

Communicate their roles and responsibilities to them. An important aspect of the project manager's role is to communicate to team members their individual roles and responsibilities for executing the project. When team members understand what is expected of them, the project is more likely to run smoothly and achieve its goals. Providing evaluation forms, asking team members if they like their assignments, and correcting team members' mistakes for them will not help the team members perform their work efficiently.

SOURCE: PJ:007 Manage project team

SOURCE: Project Management Qualification. (2022, December 17). *5 characteristics to build a successful project team*. Retrieved September 22, 2023, from <https://www.projectmanagementqualification.com/blog/2019/12/17/5-characteristics-build-successful-project-team/>

57. B

Specific, measurable actions that he recommends for improving satisfaction levels. A recommendation report should include recommendations that are clear and specific, and that have outcomes that can be easily measured over time—not general, overarching goals. For example, Dylan may suggest that the company schedule a monthly social event for employees, where workers have the opportunity to mingle with their peers in an informal setting. As part of his recommendation, he may explain that employees should be polled to see what type of social event they would most enjoy—and polled again for satisfaction levels after several months of events have gone by. A report on competitors' employee satisfaction levels or a summary of Dylan's experience working with a previous company would not be necessary to include.

SOURCE: NF:216 Translate research findings into actionable business recommendations

SOURCE: Chron. (2021, June 17). *Steps to take in writing a recommendation report*. Retrieved October 8, 2023, from <https://work.chron.com/steps-writing-recommendation-report-28828.html>

58. A

Tamara recognizes how hard her team is working, so she provides lunch for the team members. Effective project managers motivate their team members to reach project milestones and goals. Motivation often involves offering rewards (e.g., lunch), which expresses the project manager's appreciation for the team's hard work and can encourage team members to keep striving to achieve the team's goals. Marcus is providing Thomas with evaluative feedback and guidance. Ryan is delegating duties to Samantha. Zoey is communicating information to team members.

SOURCE: PJ:007 Manage project team

SOURCE: Pandey, S. (2022, March 21). *How to motivate your team for better performance in your project?* Retrieved September 22, 2023, from <https://www.projectcentral.com/blog/motivate-project-team/>

59. B

Supply chain management. Supply chain management is a career area in which employees supervise the complete process of getting products into the marketplace—a career field in which employees are responsible for the flow of goods from the manufacturer to the end user. Inventory control is the tracking of the amount, the kind, and the value of inventory that a business has on hand. The sales force sells the products and services but is not necessarily responsible for delivery. Production is the process of creating goods and services, but is not responsible for delivery.

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

SOURCE: NC State University. (2021, August 19). *What is supply chain management (SCM)?* Retrieved September 21, 2023, from <https://scm.ncsu.edu/scm-articles/article/what-is-supply-chain-management>

60. B

Engaged. By looking at the speaker and laughing while he tells a humorous story, the audience is showing that they are engaged in the presentation. There is no indication that the audience is informed, inspired, or persuaded.

SOURCE: CO:025 Make oral presentations

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

61. A

Using technology makes accounting more efficient. Using technology, such as accounting software, can make accounting much more easy, cost-effective, and efficient. However, one disadvantage of computerized systems is that they can make it possible for information to be stolen by hackers. Employees require training to use technology, and that costs a business time and money. Technology cannot completely eliminate accounting mistakes.

SOURCE: FI:352 Explain the use of technology in accounting

SOURCE: Leonard, K. (2019, January 31). *Advantages & disadvantages of computerized accounting*. Retrieved October 8, 2023, from <https://smallbusiness.chron.com/advantages-disadvantages-computerized-accounting-4911.html>

62. D

Financial. Financial records are documents containing information related to the amount of money going into and out of a business. Asset records are documents that track the value of something a business owns. Budget records relate to a business's forecasted income and expense, and tax records are documents about monies that individuals and businesses must pay to the government.

SOURCE: NF:001 Describe the nature of business records

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

63. C

Safe to use. Businesses have an ethical obligation to make sure the products they sell to customers are safe to use. A lack of ethical quality-management practices can lead to defective (imperfect or faulty) products. While product defects are impossible to avoid completely, it's important that businesses take care to limit production of defective products—for themselves and for the safety of consumers. Businesses do not have an ethical obligation to make sure the products they sell to customers are inexpensive, name-brand, or marketed well.

SOURCE: QM:012 Discuss ethical considerations in quality management

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

64. C

Tax laws generally require that the insured demonstrate that they will be materially harmed if financial losses occur to the captive insurer. Captive insurance companies are wholly owned and operated by the members they insure. Tax laws generally require that the members that are insured by captive insurers demonstrate that they will be materially harmed if financial losses occur to the captive insurer. Businesses or industries often form captive insurance companies for one of three reasons: 1) because there is no other insurance offered in the industry; 2) to obtain cheaper insurance; 3) to gain more control over their insurance. Businesses do not generally create captive insurance companies for the sole purpose of evading tax laws. A common tax law governing captive insurers requires that captive insurance companies actually function as insurance companies—not just as reserve accounts or “rainy day funds.” There are several small advantages to forming a captive insurance company, including the ability to be taxed on investment earnings rather than on gross income, among others.

SOURCE: RM:043 Discuss legal considerations affecting risk management

SOURCE: International Risk Management Institute, Inc. (2018, August 8). *What is captive insurance?* Retrieved September 22, 2023, from <https://www.captive.com/captives-101/what-is-captive-insurance>

65. C

Higher demand. Continuous improvement is an ongoing process that looks for ways to increase the levels of excellence in relation to a process, good, or service. Potential benefits of improved processes often increase the business's productivity levels. Increased productivity levels result in increased outputs, lower costs, and increased revenue. When quality improves, customer satisfaction levels often increase, which often results in a higher demand for the business's goods and services. A premium is an item that a business offers to the purchasers of a particular product. Offering premiums to customers and increasing product options do not impact the continuous quality-improvement efforts toward a business's products and are not potential benefits of said efforts.

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

SOURCE: Weedmark, D. (2019, September 4). *Benefits of continuous quality improvement (CQI)*. Retrieved September 22, 2023, from <https://bizfluent.com/facts-5317408-benefits-continuous-quality-improvement-cqi.html>

66. B

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

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

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

67. A

Waste reduction. Businesses often collect and analyze information to reduce waste throughout their organizations. In the example, the waste involved the use of paper. By reducing waste, a business can save money, increase its profits, and often protect the environment. The analysis does not provide insight about the business's return on investment, efficiency levels, or resale goods.

SOURCE: OP:327 Discuss the nature of business analysis

SOURCE: MeasureBusiness.com. (2008-2017). *Business analysis toolkit*. Retrieved September 21, 2023, from <http://www.measurebusiness.com/>

68. A

Integration. Members of a well-integrated supply chain have open lines of communication and are able to complete supply chain processes on time, within budget, and matching quality objectives. Integration in supply chain management involves ensuring that all supply chain members are working toward collective goals and participate in the free flow of information. Operations involves the day-to-day activities and processes in the supply chain and monitors such things as inventory levels, for example. Purchasing/Supply involves managing sources, materials, and prices that are required for the supply chain to create profit, maintain quality, and stay cost-effective. Distribution/Logistics focuses on the shipments and transportation of goods throughout the supply chain.

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

SOURCE: Wisner, J.D., Tan, K., & Leong, G.K. (2019). *Principles of supply chain management* (5th ed.) [Lesson 1-4]. Boston, MA: Cengage Learning, Inc.

69. B

Identity theft. Identity theft is the fraudulent acquisition and use of a person's private identifying information (e.g., name, bank account number), usually for financial gain. Because someone used Kari's bank information in an unauthorized manner to withdraw money from her account and undergo medical treatment in her name, she suffered from identity theft. Credit card fraud occurs when someone steals or finds your credit card and obtains information from it to make purchases or use your card in a fraudulent manner. Phishing is an online identity theft scam that fools its victims into believing they are submitting sensitive, personal information (such as credit card numbers or bank passwords) to a legitimate website. Debt collection fraud is when scammers call or contact consumers demanding payment of fake outstanding debts.

SOURCE: FI:073 Protect against identity theft

SOURCE: Fontinelle, A. (2023, June 8). *The most common types of consumer fraud*. Retrieved September 21, 2023, from <https://www.investopedia.com/financial-edge/0512/the-most-common-types-of-consumer-fraud.aspx#toc-debt-collection-fraud>

70. A

Embedded. Embedded knowledge is information that is "trapped" within organizational routines, processes, and protocols. This type of knowledge is not clearly communicated; rather, it is hidden within employees' daily work routines. Tacit knowledge is knowledge that is intuitive—it is often hard to define and experience-based. Tacit knowledge is deeply personal and is often the hardest type of knowledge to capture. Explicit knowledge is widely available information that is easy to access and understand. An example of a source of explicit knowledge would be a company training manual. "Understood knowledge" is not generally a term used to describe one of the three main types of knowledge.

SOURCE: KM:018 Apply knowledge management processes

SOURCE: Knowledge Management Tools. (2018). *The different types of knowledge*. Retrieved September 21, 2023, from <https://www.knowledge-management-tools.net/different-types-of-knowledge.html>

71. B

Wider availability of data. Risk modeling not only relies on data, but it also makes data more useful. The rise of available data has made risk modeling more possible and more necessary. Increased regulation rather than decreased regulation has contributed to the rise of risk modeling. More expensive technology has not increased the use of risk modeling. Finally, less focus on efficiency has also not increased the use of risk modeling.

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

SOURCE: Risk and Compliance. (2023). *Technology risk management*. Retrieved September 22, 2023, from <https://riskandcompliancemagazine.com/technology-risk-management/>

72. A

It intentionally ignores past and future events. Process thinking involves focusing on the steps it takes to complete a task, as it seeks to achieve efficiency by setting standard operation procedures in place. With process thinking, the focus is on the specific tasks in front of you rather than the overall bigger picture. This empowers people to take small actions now, which can move them closer to larger goals not yet on the horizon. Because the focus is on the present, process thinking intentionally ignores past and future events, which is considered to be one of the disadvantages of process thinking. Three pros of process thinking are that it helps solve complex challenges, increases profitability and efficiency, and improves quality and customer loyalty.

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

SOURCE: Drew, C. (2023, July 11). *What is process thinking? (Examples, pros, and cons)*. Retrieved September 21, 2023, from <https://helpfulprofessor.com/process-thinking/>

73. C

Yes, employees should be well informed and able to help customers. One good way to have a customer service mindset is to be well informed about all aspects of a business. Although it is good to call a customer by their name, if known, this is not always possible. Employees often have brief conversations with customers. They should pay attention to customers regardless of how busy they are.

SOURCE: CR:004 Demonstrate a customer service mindset

SOURCE: Hudson, M. (2018, May 23). *How product knowledge can increase sales*. Retrieved September 20, 2023, from <https://www.thebalancesmb.com/benefits-of-product-knowledge-2890302>

74. B

Avoid the high costs of going to trial. Litigation costs are often extremely high—and the outcome of a trial could be potentially more damaging to a defendant than settling out of court. Settling, however, generally involves some sort of admission of wrongdoing—even if the defendant believes it did nothing wrong. Therefore, proving the defendant's innocence is not generally a reason for settling a case out of court. Trials can also turn into public spectacles, drawing unwanted attention and potentially negative publicity to the defendant. Settling out of court is an effective way to avoid turning the case into this sort of public drama. Earning the respect of a jury could only happen via a trial, not by settling out of court.

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

SOURCE: The Free Dictionary. (2023). *Settlement*. Retrieved September 21, 2023, from <http://legal-dictionary.thefreedictionary.com/settlement>

75. A

Lessons-learned document. The lessons-learned document is a project-end summary of what went well, what didn't go well, and how to improve in the future. It gives project teams the opportunity to identify areas of inefficiency, record their processes, and document knowledge gained from experience. The project charter is a formal document that officially authorizes a project to get underway. The scope statement is a description of the project and the work to be done within established deadlines and the allotted budget. The work breakdown structure is a document that details the division of a project workload into smaller, more manageable parts.

SOURCE: PJ:008 Close project

SOURCE: Eby, K. (2021, May 6). *Guide to lessons learned in project management*. Retrieved September 22, 2023, from <https://www.smartsheet.com/content/lessons-learned>

76. A

Produces only 3.4 defects per million parts. A popular quality management framework is Six Sigma, named for the statistical term that indicates only 3.4 defects per million. PDCA uses the plan-do-check-adjust approach. ITIL uses an IT-oriented approach. The company has not created its own quality management framework.

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

SOURCE: University Alliance. (2021, January 12). *What is Six Sigma?* Retrieved September 22, 2023, from http://www.villanovau.com/resources/six-sigma/what-is-six-sigma/#.VsXLE_IrKUK

77. B

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

SOURCE: PJ:005 Initiate project

SOURCE: Gillis, A.S. (2023, March). *Project charter*. [Video & article]. Retrieved September 22, 2023, from <https://www.techtarget.com/searchcio/definition/project-charter>

78. A

Transferring deliverables. When closing a project, deliverables should be transferred to the customer or other stakeholders. Establishing a project charter comes in the initiation phase of a project. Contracting suppliers is a part of the planning stage of a project. Managing changes comes during the execution phase of a project.

SOURCE: PJ:008 Close project

SOURCE: Method123. (n.d.). *Project management life cycle*. Retrieved October 8, 2023, from <http://www.method123.com/project-lifecycle.php>

79. B

A risk assessment. An important aspect of risk management is conducting a risk assessment, which is the process of determining the level of risk associated with an action or product. Sometimes as a result of conducting a risk assessment, a manager may find that a perceived risk is much less threatening than they originally thought. For example, although Sasha's team members were alarmed by rumors of bear attacks, she may discover while conducting her risk assessment that the rumors are untrue and that there is little chance of bear attack at the park. An environmental scan is a process in which businesses gather information about their surroundings, analyze that information, and determine the future impact of that information. Risk communication focuses on how to effectively communicate information associated with risk. A SWOT analysis is a marketing tool that investigates a business's strengths, weaknesses, opportunities, and threats in an organized fashion.

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

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

80. D

Share their work-related tacit knowledge. Tacit knowledge is expertise that is often difficult to explain or quantify. Sharing tacit knowledge with coworkers can help the company improve its performance, develop innovative processes, and achieve a competitive advantage. Employees are more likely to share knowledge when management encourages collaboration. However, if a company has a negative work culture, employees tend to be on guard and may be fearful about losing their jobs. Under these circumstances, employees are more likely to keep helpful information to themselves. Companies with negative work cultures tend to have higher employee turnover rates. This happens because dissatisfied employees are more likely to use their personal leave time to look for and accept jobs with other companies. The ability to complete assignments on time depends on a variety of factors including the interdependence of work activities, workload, etc.

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

SOURCE: Chen, J. (2021, February 16). *Intellectual capital*. Retrieved September 21, 2023, from https://www.investopedia.com/terms/i/intellectual_capital.asp

81. A

Passwords. A password is a unique configuration of at least six characters. Many businesses establish a password system in order to limit access to their computers and confidential digital information. When authorized employees need to access a business's computer system, they log in with their unique password which the computer is programmed to read and accept. Employees who do not have passwords are not able to access the system and read or copy the confidential digital information. Crawlers are small search programs. Handles are used in place of real names in chat rooms. A bookmark is a website saved for later reference.

SOURCE: OP:105 Develop strategies to protect digital data

SOURCE: Kluwer, W. (2020, March 16). *Assessing computer needs for your business*. Retrieved October 9, 2023, from <https://www.wolterskluwer.com/en/expert-insights/assessing-computer-needs-for-your-business>

82. B

Economic. An environmental scan is an analysis of external forces that influence a business's success. The fluctuation of unemployment rates is an economic factor because unemployment has an effect on consumers' ability to buy goods and services. If consumers are unemployed, they do not have income to spend. As a result, businesses do not sell as much because consumers are not buying. When this situation occurs, businesses often reduce expenses in an attempt to stay in business until the rate of employment starts to rise again. The rate of unemployment is not a geographic, political, or regulatory factor.

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

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

83. A

Variable costs and fixed costs. A break-even analysis is a financial assessment that a business uses to identify the level of sales it needs to reach the break-even point at various prices. To conduct a break-even analysis, the business must know the fixed costs and variable costs it will encounter to get the good or service to the end user. Production time might be included as a cost in certain types of businesses (e.g., tax preparation, manufacturing). Depreciation rate is the level at which the value of something (e.g., equipment) reduces over time.

SOURCE: OP:192 Conduct breakeven analysis

SOURCE: Tatum, M. (2023, September 12). *What is a break-even analysis?* Retrieved October 8, 2023, from <https://www.wise-geek.com/what-is-a-break-even-analysis.htm>

84. B

Inefficiency. When a business is overstaffed, it's wasting money on unnecessary wages, benefits, training, etc. It's inefficient and will begin to lose competitiveness. Understaffing creates poor customer service, exhausted workers, and low morale.

SOURCE: SM:065 Describe managerial considerations in staffing

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

85. D

Citizens are not allowed to bring fresh fruits and vegetables back with them upon reentering the country. Customs regulations are regulations regarding the import and export of goods into a country. An example of a customs regulation is the prohibition on bringing fresh fruits and vegetables into the country after traveling. This is to prevent disease and pests from crossing country lines. Travel advisories, fines for hiring illegal immigrants, and vaccination recommendations are also related to travel and borders but are not customs regulations.

SOURCE: BL:126 Describe the nature of customs regulations

SOURCE: U.S. Customs and Border Protection. (2019, February 15). *Bringing food into the U.S.* Retrieved September 20, 2023, from <https://www.cbp.gov/travel/international-visitors/agricultural-items>

86. C

Conducting personal interviews. Tacit knowledge is knowledge consisting of personal opinions, experiences, expertise, or understanding that is not easily articulated, stored, or quantified. By conducting personal interviews with employees, management might be able to obtain knowledge from employees about their on-the-job experiences—experiences that can ultimately affect the success of the business. Listening to employees' experiences might reveal problems and issues that they encounter while doing their jobs. Holding customer focus groups, developing a competitive analysis, and obtaining statistical reports from the internet will not capture employees' tacit knowledge.

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

SOURCE: Oragui, D. (2023, April 19). *Tacit knowledge: Definitions, examples, and importance.* Retrieved September 21, 2023, from <https://helpjuice.com/blog/tacit-knowledge>

87. A

Changing jobs. There are times when the best way to enhance career progression is to change jobs. A different job may offer more possibility for advancement or provide additional training. New jobs may include a better salary or more fringe benefits. When employees feel that they have no place to go in their current positions, changing jobs may be the best way to advance in their careers. Most employees need to accept criticism at some time during their careers. All employees are expected to work safely and follow the rules.

SOURCE: PD:035 Identify skills needed to enhance career progression

SOURCE: Unitemps. (2022, December 16). *Six practical tips for career progression*. Retrieved September 21, 2023, from <https://www.unitemps.com/career-advice/six-practical-tips-for-career-progression/>

88. C

Require employees to sign nondisclosure agreements. Nondisclosure agreements are legally binding contracts that prevent employees from sharing company trade secrets. A trade secret is protected under laws that prevent unfair competition, but it is not formally registered like a trademark or patent. In order for information to qualify as a trade secret and receive protection under the law, it must possess commercial value, and the company must take steps to protect the information. A company can protect trade secrets by requiring employees to sign confidentiality agreements or nondisclosure agreements which make it unlawful to share trade secrets with the public, other employers, or competitors. When information is shared as an open-source product, it is widely available to the public and no longer qualifies as a trade secret.

SOURCE: KM:004 Explain legal considerations for knowledge management

SOURCE: Johnson, K., & Madara, J. (2023, March 21). *Proprietary, confidential info, trade secrets, know-how—differences for business success*. Retrieved September 21, 2023, from <https://www.foxrothschild.com/publications/proprietary-confidential-info-trade-secrets-know-how-differences-for-business-success>

89. C

Sole proprietorship. Owners of sole proprietorships bear all the responsibility and decision-making for the business. Since there is one owner, the sole proprietor maintains control of every aspect of the business. General partnerships, "S" corporations, and LLCs have more owners; therefore, each owner generally has less control over business activities.

SOURCE: BL:006 Select form of business ownership

SOURCE: LAP-BL-006—Taking Care of Business (Selecting Forms of Business Ownership)

90. C

Concurrent control. Concurrent controls monitor business activities as they are being performed. The assistant bank manager watched and listened to their tellers carrying out their jobs, realized that there was a problem, and immediately corrected the problem. Preventive controls take place before a business activity takes place, while feedback controls occur after a business activity has been completed. Post controls, more commonly referred to as postcontrols, are feedback controls.

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

SOURCE: Palmer, J. (2019, June 6). *Examples of control methods in management*. Retrieved September 22, 2023, from <https://smallbusiness.chron.com/examples-concurrent-control-management-80471.html>

91. A

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

SOURCE: SM:095 Explain the nature of change management

SOURCE: MindTools. (2023). *The four principles of change management*. Retrieved September 22, 2023, from https://www.mindtools.com/pages/article/newPPM_87.htm

92. B

Frictional. Frictional unemployment is always present in the economy and occurs because there are always workers who are in transition. Transitions occur for a variety of reasons. Avery is transitioning from being a college student to being a member of the workforce. Other transitions might include reentering the workforce after raising children or a change of career path. Structural unemployment occurs when the demand for certain types of workers declines and is often due to technology advancements and the need for new skills. Cyclical unemployment is the result of changes in the economic and business cycles. For example, if the GDP declines, unemployment tends to increase. Relational is not a type of unemployment.

SOURCE: EC:082 Discuss the impact of a nation's unemployment rates

SOURCE: Kagan, J. (2022, December 18). *Frictional unemployment*. Retrieved September 20, 2023, from <https://www.investopedia.com/terms/f/frictionalunemployment.asp>

93. D

A manufacturing firm tracks its inventory using a digital warehouse management system. Digital warehouse management systems help companies distribute products more efficiently by tracking inventory in real-time—a technology that allows for better supply chain management. Hiring new employees, weather events, and new laws are not examples of technology influencing supply chain management.

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

SOURCE: Plex DemandCaster. (2021, November 16). *The impact of technology in supply chain management*. Retrieved September 21, 2023, from <https://www.plex.com/blog/impact-technology-supply-chain-management>

94. B

Draft a problem statement and a purpose statement. Before he begins any research, Tyler should organize his thoughts by drafting a problem statement and a purpose statement. His problem statement should describe the issue he has been assigned to look into (the need for a new customer information database) and his purpose statement should describe the reason for his project (to determine the best method for storing customer data). Gathering information from coworkers, drawing conclusions, and writing initial recommendations should all come after he writes a problem and a purpose statement.

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

SOURCE: LinkedIn. (n.d.). *How do you use a problem statement to communicate the problem clearly and concisely?* Retrieved October 8, 2023, from <https://www.linkedin.com/advice/0/how-do-you-use-problem-statement-communicate>

95. D

Human. Business process design is influenced by human factors, such as stress and fatigue. A business process may not work if it causes stress to employees or if they are too fatigued to complete their work properly. These are not examples of technological, regulatory, or government factors.

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

SOURCE: Taylor, H. (2017, September 26). *Factors that affect process design*. Retrieved September 21, 2023, from http://www.ehow.com/list_7444011_factors-affect-process-design.html

96. C

Contingency. Contingency planning includes backup plans and crisis responses for a variety of scenarios. A contingency plan would help Leif's Fine Treats determine the best way to proceed. Tactical planning involves specific, measurable, short-term goals. A strategic plan looks at the big picture and defines a company's overall goals. Operational plans are used to document processes on a day-to-day basis.

SOURCE: SM:063 Discuss the nature of managerial planning

SOURCE: Pingboard. (2020, April 27). *Organizational planning guide: Types of plans, steps, and examples*. Retrieved September 22, 2023, from <https://pingboard.com/blog/organizational-planning-guide-types-of-plans-steps-and-examples/>

97. B

Typically only one neutral third party is appointed during mediation. Arbitration and mediation are similar processes—both attempt to resolve a dispute and eliminate the need for a trial. However, during arbitration, there are usually multiple third parties helping resolve the issue, rather than just one. During mediation, which is generally a less formal, nonbinding process, a single mediator helps facilitate discussion between disputing parties. The goal of mediation is not necessarily to uncover evidence but to help the parties reach a mutually agreeable solution. Both mediation and arbitration require neutral third parties to be effective and legal.

SOURCE: BL:161 Discuss the arbitration/mediation process

SOURCE: FindLaw. (n.d.). *Mediation vs. arbitration vs. litigation: What's the difference?* Retrieved October 8, 2023, from <https://adr.findlaw.com/mediation/mediation-vs-arbitration-vs-litigation-whats-the-difference.html>

98. B

Data protection strategies should be reevaluated often. Data protection strategies should be reevaluated often because, as technology changes and hackers become more sophisticated, what was a good strategy five years ago may not be effective today. Protecting digital data is an important task for everyone in the company, not just the IT department. If a company fails to adequately protect its data, customers will likely have a negative perception of that company. Protecting digital customer data is necessary for businesses of all sizes.

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

SOURCE: Rossi, B. (2019, December 3). *10 ways businesses can protect customer data*. Retrieved September 22, 2023, from <https://www.information-age.com/10-ways-businesses-can-protect-customer-data-123459341/>

99. B

Change happens one person at a time. Change management is necessary because organizational change occurs on a person-by-person basis. The people at the organization make changes, not the organization itself. Successful organizational change is the cumulative result of individual actions. Employees may be instructed to do something illegal or unethical, in which case they would not follow those directions. Rapid changes would lower employee morale. People do not embrace change automatically—in fact, they often resist change at first.

SOURCE: SM:096 Explain the change-management lifecycle

SOURCE: Prosci. (2020). *What is change management and how does it work?* Retrieved September 22, 2023, from <https://www.prosci.com/resources/articles/what-is-change-management-and-how-does-it-work>

100. D

Being consistent and ongoing. Being transparent isn't something people can do once and then forget about—instead, it must happen on a consistent, ongoing basis. Avoiding half-truths, giving people the information they need, and allowing for conflict are all characteristics of open, honest communication, but they are not illustrated in this example.

SOURCE: EI:129 Foster open, honest communication

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)