

1. Workers who report unethical or illegal activity in the company to their supervisors are:
 - A. whistle-blowing
 - B. outsourcing
 - C. meddling
 - D. trouble-shooting

2. Which one of the following statements is true about e-businesses?
 - A. Quality is not as important for e-businesses, since the customer only sees a picture of the product.
 - B. Advertising products extensively to prospective customers ensures success.
 - C. An attractive Web site is sufficient for success.
 - D. Businesses that have been effective have identified target markets and developed a marketing mix.

3. In _____ accounting, income is recorded when it is earned, whether or not payment is received in cash.
 - A. cash basis
 - B. depreciation basis
 - C. accrual basis
 - D. balance sheet

4. Union membership has gone down for all of the following reasons except
 - A. changes in the economy
 - B. less effective strike
 - C. an increase in manufacturing companies
 - D. competition from nonunion firms

5. "Patent" refers to:
 - A. a company's responsibility to produce safe items
 - B. an inventor's exclusive rights to a product or process
 - C. an author's exclusive rights to publish a work
 - D. a symbol used to identify a company's product

6. Which approach identifies and reaches potential customers through personal contact?
 - A. inviting
 - B. prospecting
 - C. soliciting
 - D. recruiting

7. _____ are taxes imposed on imports to encourage purchase of domestic products.
 - A. Excise taxes
 - B. Tariffs
 - C. Embargoes
 - D. VAT taxes

8. What are the profits kept by the owners for use within the business called?
- A. internal earnings
 - B. projected earnings
 - C. current earnings
 - D. retained earnings
9. Primary research is being utilized when to determine the success of their new iPhone, Apple does which one of the following?
- A. analyzes the Consumer Price Index
 - B. reviews leading economic forecasts
 - C. forms a focus group to discuss the attributes of the new phone
 - D. reviews sales data of past iPhone releases
10. Which type of business-to-business e-commerce purchases make up the largest percentage of transactions?
- A. expensive equipment
 - B. auction purchases
 - C. routine purchases
 - D. purchases of complex products
11. On the balance sheet of a bank, deposits are considered:
- A. an asset
 - B. capita
 - C. a liability
 - D. an expense
12. What is a collection of tasks and responsibilities that an employee is responsible to conduct?
- A. job analysis
 - B. duties and task list
 - C. job
 - D. job description
13. The ___ leadership practice is concerned with maintaining the status quo and avoiding change, challenge, and confrontation.
- A. pragmatism
 - B. stoicism
 - C. utilitarianism
 - D. empiricism
14. Which one of the following environments is not a consideration before marketing a product/service in other countries?
- A. image
 - B. economic

- C. cultural
 - D. political
15. Which of the following is not a source of income for a bank?
- A. investments
 - B. fees for services
 - C. the interest earned by depositors
 - D. loan income
16. What is the process of identification, analysis, and either acceptance or mitigation of uncertainty in investment decision making?
- A. financial analysis
 - B. risk management
 - C. strategic management
 - D. operations management
17. A code of ___ policy is typically more specific than a code of ___, giving guidelines for how to respond in certain situations.
- A. ethics; conduct
 - B. trust; action
 - C. action; trust
 - D. conduct; ethics
18. Political troubles in a country can
- A. increase revenue for international companies.
 - B. close down international companies.
 - C. stimulate international business investment.
 - D. encourage international companies.
19. Every kind of responsibility, obligation, or duty of a person or business is the legal term called _____.
- A. a contract
 - B. liability
 - C. product liability
 - D. strict liability
20. What is the blend of the promotional elements of advertising, personal selling, publicity, and sales promotion into a strategy for delivering a message to the target market?
- A. Promotional planning
 - B. Promotional mix
 - C. Market segmentation
 - D. Marketing mix
21. The ___ market refers to goods bought and sold outside of a manufacturer's approved

distribution channels, or the unofficial trading of a security.

- A. Blue
 - B. Grey
 - C. Red
 - D. Gold
22. Each sale that a retail store makes, a percentage of the price must be passed on to the state. This is called a(n):
- A. sales discount
 - B. sales tax
 - C. sales surcharge
 - D. sales mark up
23. In recent years there has been a trend for unions and employers to cooperate because:
- A. employees are unable to find jobs somewhere else
 - B. low productivity tends to save jobs
 - C. employees can demand better wages and conditions if the company is successful
 - D. increased productivity tends to eliminate jobs
24. This process is used to break a given market into smaller groups.
- A. demographics
 - B. market segmentation
 - C. geographics
 - D. psychographics
25. Which one of the following is the accounting equation?
- A. $\text{Assets} + \text{Investments} = \text{Net Worth}$
 - B. $\text{Revenue} - \text{Expenses} = \text{Net Worth}$
 - C. $\text{Assets} + \text{Liabilities} = \text{Net Worth}$
 - D. $\text{Assets} - \text{Liabilities} = \text{Net Worth}$
26. The technology involved in the use of machines to perform work that is extremely precise, repetitive, or dangerous is called:
- A. assembly line
 - B. manual production
 - C. tailored logistics
 - D. robotics
27. Internet advertisements are measured in:
- A. inches
 - B. centimeters
 - C. millimeters
 - D. pixels

28. Using an agent to sell products internationally is an example of:
- A. an indirect channel of distribution.
 - B. a quota.
 - C. a direct channel of distribution.
 - D. domestic business transaction.
29. All of the following would be examples of direct marketing research except:
- A. surveys
 - B. taste tests
 - C. reading industry reports
 - D. observations
30. The International Court of Justice's legal principles are based primarily on:
- A. principles of law from Asian countries
 - B. principles of law from European countries
 - C. principles of law from Western countries
 - D. principles of law from Islamic countries
31. The _____ is a stamp of endorsement issued by a country that allows a passport holder to enter that country.
- A. passport
 - B. visa
 - C. certificate of citizenship
 - D. work visa
32. Companies do not need to maintain financial records
- A. to calculate the current value of assets.
 - B. to prepare reports for the federal government.
 - C. to track the financial progress of the business.
 - D. to disclose information to the competition.
33. Total assets minus total liabilities equals:
- A. equity
 - B. loss
 - C. return on equity
 - D. return on assets
34. Loan companies charge higher interest rates because:
- A. they make secured loans
 - B. they take on greater risks
 - C. they loan larger amounts of money
 - D. they make unsecured loans
35. The physical elements that merchandisers use to project an image to customers are/is called:

- A. display
 - B. storefront
 - C. visual merchandising
 - D. marquee
36. Which one of the following would be an example of a consumer good?
- A. buildings
 - B. equipment
 - C. machinery
 - D. personal car
37. Regarding the business cycle, a period where demand begins to decrease, businesses lower production of goods and services, unemployment begins to rise, and GDP growth slows for two or more quarters in a calendar year is:
- A. recovery
 - B. deflation
 - C. recession
 - D. depression
38. Designer clothing imported from Europe is an example of a:
- A. specialty good
 - B. product line
 - C. shopping good
 - D. convenience good
39. Indirect distribution involves _____.
- A. warehouses
 - B. retailers
 - C. manufacturers
 - D. ALL ANSWERS ARE CORRECT
40. You are having a hard time letting go of the control of your business as you have hired employees. You monitor their work very closely and make all major decisions about the business by yourself. What type of management style are you using?
- A. democratic management
 - B. autocratic management
 - C. mixed management
 - D. participatory management
41. C corporations are allowed to pay for certain benefits for their employees and they are not considered income for the employees for tax purposes. Which one of the following is not one of these benefits?
- A. stock options
 - B. disability insurance

- C. group life insurance
 - D. health insurance
42. XYZ Corporation is evaluating the sales potential of a new product release and have analyzed past sales records. They are using:
- A. nominal data
 - B. external data
 - C. primary data
 - D. secondary data
43. What kind of transportation means is the most flexible?
- A. By train
 - B. By truck
 - C. By airplane
 - D. By water
44. In geographic segmentation, which one of the following criteria would be important to consider?
- A. gender
 - B. city size
 - C. occupation
 - D. household size
45. What is the usual time limit that short-term debt must be repaid to the lender with interest?
- A. 60 days
 - B. 90 days
 - C. one year
 - D. 30 days
46. When a supervisor hires his or her niece even though other candidates are more qualified, _____ has taken place.
- A. nepotism
 - B. discrimination
 - C. democracy
 - D. cronyism
47. Which one of the following is not a secondary source for business research?
- A. focus groups
 - B. census data
 - C. trade publications
 - D. magazines
48. A decline in total production lasting a minimum of two quarters defines:
- A. stagflation
 - B. a recession

- C. economic correction
 - D. a mortgage crisis
49. The amount an original deposit will be worth in the future based on its earning a specific interest rate over a specific period of time is referred to as:
- A. present value
 - B. current value
 - C. time value
 - D. future value
50. A(n) _____ would accurately represent the target population.
- A. sample
 - B. experiment
 - C. data mining
 - D. buying patterns
51. ____ is an accepted level of behavior to which people are expected to conform.
- A. Authority
 - B. Reason
 - C. Intuition
 - D. Standard
52. E-commerce accounts for between 15 and 25 percent of sales. What happens as a result?
- A. E-commerce businesses use different marketing functions than brick-and-mortar businesses.
 - B. Marketing activities are less important for e-commerce businesses.
 - C. All marketing activities of e-commerce businesses are completed online.
 - D. There are many companies that combine traditional business operations with the use of the Internet.
53. Which the following is not a current business trend?
- A. alternate forms of lending
 - B. increased popularity and building of shopping malls
 - C. consumer control through more demand over their data
 - D. personalization of goods and services
54. A product in the decline stage in one country:
- A. may have opportunities for success in another country
 - B. must always be written off as a loss
 - C. will not have success in another country
 - D. can be repackaged for guaranteed international success
55. The highest possible price that can be charged is determined by the:
- A. marketer
 - B. distributor

- C. desired profit
 - D. target market
56. To avoid business failure, Julie Barron, a small business owner, has reduced the size of her company's workforce by 10 percent. This action is referred to as:
- A. networking
 - B. innovating
 - C. outsourcing
 - D. downsizing
57. Communism is a/an _____ system that has as its goal a classless society.
- A. economic
 - B. physical
 - C. enterprise
 - D. ideological
58. Commission, time, piece-rate, base, and incentive plans are all part of employee:
- A. tracking
 - B. development
 - C. recruitment
 - D. compensation
59. A good rule to follow when investing is to:
- A. diversify by investing in stocks, bonds, and money market funds
 - B. invest entirely in bonds since they are safe investments
 - C. invest entirely in money market funds
 - D. invest entirely in stocks if the market value is high
60. What is the most important power that a union has?
- A. striking
 - B. closed shop
 - C. negotiating
 - D. collective bargaining
61. The biggest disadvantage of public relations is the:
- A. cost
 - B. difficult to predict and control
 - C. speed
 - D. limited impact
62. Which part of the job description should include the "outcomes or results of the job?"
- A. list of essential duties
 - B. job identification
 - C. task statement

- D. job summary
63. A document that accompanies international shipments that shows the country in which the goods being shipped were produced is a
- A. certificate of origin.
 - B. bill of lading.
 - C. export declaration.
 - D. destination control statement.
64. A tax write-off for expenses of doing business is called a(n):
- A. sales tax
 - B. business compensation
 - C. business deduction
 - D. social security tax
65. For most organizations, members of local community groups, the media, and consumer groups are all considered to be:
- A. secondary stakeholders
 - B. tertiary stakeholders
 - C. primary stakeholders
 - D. quasi stakeholders
66. For what can information obtained from market research be used?
- A. to increase sales and profits
 - B. to report findings
 - C. keep up with financial reports
 - D. to reduce staff
67. ____ occurs when labor negotiations break down and a third party is brought in to impose a settlement both sides must accept.
- A. Derived demand
 - B. Collective bargaining
 - C. Arbitration
 - D. Mediation
68. Using natives of the host country to manage operations within their country and parent-country natives to manage at headquarters is which human resources approach?
- A. Geocentric approach
 - B. Polycentric approach
 - C. Regiocentric approach
 - D. Ethnocentric approach
69. The most valuable asset a small business owner has is:
- A. equipment and land

- B. a good relationship with banker
 - C. employees
 - D. a quality product
70. If you need to train one or only a few employees concerning the details of a job, it is best to utilize:
- A. lectures
 - B. on-the-job training
 - C. conferences
 - D. role-playing
71. Most businesses will use the services of a:
- A. retail bank
 - B. pawn shop
 - C. commercial bank
 - D. credit union
72. ___ causes people to believe that a higher priced item is better quality than the exact same item at a lower price.
- A. Psychological pricing
 - B. Price lining
 - C. Penetration pricing
 - D. Prestige pricing
73. International travelers must go through _____ when returning to their home country.
- A. customs
 - B. the embassy
 - C. security
 - D. citizen verification
74. Guidance is part of which financial instrument?
- A. equity
 - B. repurchase agreement
 - C. fixed asset
 - D. bond
75. What are the two main sources of cash coming into a company?
- A. petty cash and borrowing
 - B. cash receipts and borrowing
 - C. assets and capital
 - D. IOUs and cash receipts
76. Parties that can appear before the International Court of Justice include:
- A. countries and companies

- B. only countries
 - C. only companies
 - D. countries, companies, and individuals
77. Unpaid wages that are due to an employee for work performed is an example of:
- A. product liability
 - B. strict liability
 - C. liability for debt, loss, and injury
 - D. employee liability
78. The most complex type of data collection is the _____, which involves a statistical comparison of two or more very similar situations.
- A. observation
 - B. quantitative research
 - C. experiment
 - D. survey
79. According to H.R. Bowen, the concept of social responsibility rests on two premises:
- A. legal entity and individual entity
 - B. social contract and moral agent
 - C. public responsibility and economic responsibility
 - D. moral principle and social principle
80. As one of the capabilities of e-marketing, this refers to the coordination of all promotional activities to produce a unified, customer-focused promotional message.
- A. integrated marketing
 - B. global reach
 - C. right-time marketing
 - D. interactive marketing
81. Which one of the following is not a way to motivate employees?
- A. recognize them for good work
 - B. pay them well
 - C. make all decisions for them
 - D. treat them fairly
82. Demographics of countries involved in international trade does not include:
- A. income distribution
 - B. language
 - C. age distribution
 - D. birthrate
83. What does debt-to-equity measure?
- A. the relation between the dollars you have borrowed and the dollar you have invested in your

business

- B. the relation between your startup costs and your net worth
 - C. the difference between your equity and your liabilities
 - D. the difference between your assets and your liabilities
84. Which characteristic would best be used to describe capital goods?
- A. natural resources
 - B. physical skills
 - C. intellectual skills
 - D. man-made
85. Capital that comes from retaining profits within a firm is called:
- A. ownership equity
 - B. profit retention
 - C. external equity
 - D. internal equity
86. What is the general term that means a piece of equipment has become inadequate because a more efficient model comes on the market?
- A. depreciation
 - B. replacement value
 - C. obsolescence
 - D. book value
87. Sometimes, messages are not received or interpreted correctly because of noise, such as:
- A. previous knowledge possessed by the sender
 - B. the expense of sending the message
 - C. competing messages
 - D. dead time
88. An affluent individual who provides capital for a business start-up is called a (n) _____
- A. Angel investor
 - B. Bond manager
 - C. Vendor
 - D. Stock broker
89. Creating a marketing plan would include:
- A. market research
 - B. a roadmap for a product entering the market
 - C. delivery options
 - D. a profit and loss statement
90. Frederick Herzberg's motivation theory builds upon which one of the following goals?
- A. achievement and growth

- B. position and power
 - C. compensation and recognition
 - D. social achievement and status
91. What is a sales technique that can be useful in online shopping?
- A. Sell products that require lots of questions/explanations.
 - B. Advertise in-store only specials.
 - C. Create a rapport with the customer.
 - D. Create a sense of urgency with a deadline.
92. Product quality standards are:
- A. consistent around the world
 - B. less important than price charged
 - C. inconsistent around the world
 - D. a low priority for most countries
93. What type of research involves placing a new product in selected stores to test customer response?
- A. Interview
 - B. Observation
 - C. Field trial
 - D. Focus group
94. _____ are investment companies that pool money from many savers who have small amounts to invest.
- A. Annuities
 - B. Mutual funds
 - C. Brokerage houses
 - D. Stock markets
95. _____ is obtained by buying goods and services that do not require immediate payment.
- A. Promissory note
 - B. Line of credit
 - C. Short-term debt
 - D. Trade credit
96. The most financially reasonable mode of transportation is
- A. airplane.
 - B. truck.
 - C. train.
 - D. water.
97. All media of exchange that is currently circulating in a country is:
- A. currency.

- B. capital.
- C. deposits.
- D. reserves.

98. On what is price competition based?

- A. price and location
- B. price and value
- C. price and brand
- D. price and quality

99. Which of the following is a market index composed of 30 industrial stocks?

- A. Dow Jones Industrial Average
- B. New York Stock Exchange
- C. bear market
- D. stock portfolio

100. Labor _____ is a formal meeting or series of meetings set up to negotiate labor disputes.

- A. responsibility
- B. mediation
- C. strike
- D. law

Answer Key

1	A	35	C	69	C
2	D	36	D	70	B
3	C	37	C	71	C
4	C	38	A	72	D
5	B	39	D	73	A
6	B	40	B	74	A
7	B	41	A	75	B
8	D	42	D	76	B
9	C	43	B	77	C
10	C	44	B	78	C
11	C	45	C	79	B
12	C	46	A	80	A
13	B	47	A	81	C
14	A	48	B	82	B
15	C	49	D	83	A
16	B	50	A	84	D
17	D	51	D	85	D
18	B	52	D	86	C
19	B	53	B	87	C
20	B	54	A	88	A
21	B	55	D	89	B
22	B	56	D	90	A
23	C	57	A	91	D
24	B	58	D	92	C
25	D	59	A	93	C
26	D	60	A	94	B
27	D	61	B	95	D
28	A	62	C	96	D
29	C	63	A	97	A
30	C	64	C	98	B
31	B	65	A	99	A
32	D	66	A	100	B
33	A	67	C		
34	B	68	B		