

1. Which one of the following does not extend beyond the employment relationship (after termination)?
 - A. duty not to reveal proprietary information
 - B. duty not to compete
 - C. duty not to use customer lists to gain employment with a competitor
 - D. duty not to reveal trade secrets

2. Which best describes when a product is considered to be elastic?
 - A. price decreases by \$1.00 and the demand doesn't change
 - B. price decreases by \$2.00 and the demand decreases by 3%
 - C. price increases by \$2.00 and the demand doesn't change
 - D. price increases by \$1.00 and demand decreases by 20%

3. Which is not an advantage of operating a business as a sole proprietorship?
 - A. ease of starting
 - B. limited risks
 - C. freedom to make business decisions
 - D. owner is the boss

4. Designated trainers are
 - A. employees who counsel customers about alcohol abuse.
 - B. new employees who are not yet certified.
 - C. interns who job shadow experienced employees.
 - D. employees who train employees.

5. Retailers lose over \$30 billion of their inventories each year. The largest source of these losses is:
 - A. administrative errors
 - B. vendor fraud
 - C. employee theft
 - D. damaged goods

6. GDP trends, interest rates, unemployment levels, and the money supply are examples of issues that pertain to an organization's _____ environment.
 - A. political
 - B. economic
 - C. socio-cultural
 - D. legal

7. The host country:
 - A. is a democracy that allows the entrance of international businesses.
 - B. is the country in which a multinational enterprise is headquartered.
 - C. is the country in which a multinational enterprise is a guest.
 - D. does not have influence on the operation of the international business.

8. Which one of the following is not a factor that producers consider when deciding which channels to select for distribution?
- A. perishability
 - B. special handling
 - C. containerization
 - D. number of users
9. Evaluating a management decision made by leaders of a multinational company is part of the _____ function of management.
- A. implementing
 - B. organizing
 - C. controlling
 - D. planning
10. The farming industry has experienced many changes in the ways and means of production over the years and one of the latest is the desire for produce to be grown "organically" and sold in local markets. This is an example of:
- A. mass production
 - B. land reclamation
 - C. acre management
 - D. going green
11. Tariffs are imposed to _____ of imports.
- A. decrease the price
 - B. discourage the purchase
 - C. encourage the purchase
 - D. eliminate the sale
12. Which one of the following is not a factor in the communication model?
- A. receiver
 - B. sender
 - C. observer
 - D. noise
13. The _____ faces double taxation.
- A. sole proprietorship
 - B. corporation
 - C. partnership
 - D. cooperative
14. Joni's Jellies has offered to sell Andy's Eatery two cases of homemade jelly for \$100 each month for an entire year. Andy's Eatery responds by signing the offer and returning it to Joni's Jellies. Which of the following is true?

- A. Capacity does not exist.
 - B. Legality does not exist.
 - C. An agreement has been reached.
 - D. Consideration has been exchanged.
15. The best definition of materials processing is:
- A. obtaining products from nature
 - B. growing products from natural resources
 - C. changing the form of raw materials so they can be consumed or used to make other products
 - D. combining raw materials and processed goods into finished products
16. A company that produces only one product is most likely to sell that product to:
- A. consumers
 - B. wholesalers
 - C. other producers
 - D. retailers
17. Which is not one of the top reasons for workplace injury?
- A. slips, trips, falls
 - B. overexertion
 - C. contact with objects and equipment
 - D. workplace health initiatives
18. Employees who constantly check their e-mail and cell phone during work are ethically _____.
- A. wasting time
 - B. lying
 - C. lying to the employer
 - D. abusive behavior
19. _____ is the process of growing more ethically mature.
- A. Ethical character
 - B. Ethical motivation
 - C. Moral sensitivity
 - D. Moral development
20. Taylor Swift writes many of the songs she sings. What does she do to protect the songs she writes?
- A. Applies for a trademark
 - B. Applies for a copyright
 - C. Applies for a patent
 - D. Applies for a service mark
21. _____ is the dispute resolution method that makes use of a neutral third party to reconcile the viewpoints of the disputing parties.

- A. Mediation
 - B. Due process
 - C. Litigation
 - D. Arbitration
22. During the presentation stage of the sales process, which one of the following best describes an important objective of this stage?
- A. collect credit information
 - B. obtain references
 - C. build interest for a company's products
 - D. identify potential customers
23. Many Japanese companies own hotels in Hawaii. This is an example of:
- A. foreign direct investment (FDI)
 - B. joint venture
 - C. franchise
 - D. wholly-owned subsidiary
24. Repeat business for a salesperson is generated by:
- A. order fulfillment
 - B. suggestive selling
 - C. service close
 - D. recommending larger quantities
25. A technique that uses historical data as inputs to make informed estimates that are predictive in determining the direction of future trends.
- A. management
 - B. situational analysis
 - C. prediction
 - D. forecasting
26. The main purpose of _____ are to protect public health, safety and general welfare as they relate to the construction and occupancy of building and structures.
- A. building insurance
 - B. building design
 - C. building architecture
 - D. building codes
27. A successful salesperson would use information gathered in the first steps of the selling process to:
- A. write it down
 - B. match product features to customer needs
 - C. ask the customer's name and use it repeatedly
 - D. listen without asking questions

28. The ___ is the assumption in business that a company's only important ethical obligation is to try to make as much money as possible for its investors and owners.
- A. stakeholder model
 - B. community model
 - C. stockholder model
 - D. capitalism model
29. Span of control in an international business refers to:
- A. the distance between levels of management in an organization
 - B. the number of employees that a manager supervises
 - C. the number of levels of managers within the organization
 - D. the distance in feet between the employees and their managers
30. When a glove manufacturer in China is allowed to sell only a certain number of plastic gloves in Japan, that firm is facing a(n):
- A. tariff
 - B. embargo
 - C. restrictive product standard
 - D. quota
31. When consumers are concerned about their next meal, they are concerned with Maslow's:
- A. self-actualization needs
 - B. social
 - C. physiological needs
 - D. safety needs
32. A carefully arranged sequence of promotions designed around a common theme responsive to specific objectives is a:
- A. business plan
 - B. promotional plan
 - C. promotional mix
 - D. marketing plan
33. Customers who are used to scheduling appointments on short lead time are:
- A. amiables
 - B. drivers
 - C. analyticals
 - D. expressives
34. Protection from losses resulting from nonpayment for delivered goods is provided by:
- A. liability insurance
 - B. inland marine insurance
 - C. international trade insurance

- D. credit risk insurance
35. Which of the following refers to studying a job in order to understand what knowledge, skills, and abilities are needed as a foundation for the behaviors that would help the job holder perform that job successfully?
- A. job theorization
 - B. job analysis
 - C. job breakdown
 - D. job planning
36. ___ is the most basic form of production.
- A. Wholesaling
 - B. Manufacturing
 - C. Processing
 - D. Extraction
37. The underground economy
- A. involves legal activities that escape taxation.
 - B. has increased in recent years.
 - C. makes up a greater percentage of GDP during a brisk economy.
 - D. has decreased in recent years.
38. A common disadvantage of a partnership is:
- A. difficulty of starting the business
 - B. combined expertise
 - C. unlimited liability
 - D. double taxation of earnings
39. A time plan for completing activities is called a(n):
- A. operational plan
 - B. standard
 - C. procedure
 - D. schedule
40. ___ are called intermediaries because they are links between products and sellers of products.
- A. Manufacturing companies
 - B. Retailers
 - C. Wholesalers
 - D. Service companies
41. What is the process of communicating the value of a product or service to customers?
- A. CRM
 - B. valuation
 - C. marketing

- D. advertising
42. Which one of the following best describes operating a business in a way that exceeds the ethical, legal, commercial, and public expectations that society has of the business?
- A. ethics
 - B. legal
 - C. social responsibility
 - D. mission
43. Two of the most effective entrepreneurial marketing tools that do not cost the company any money, are word-of-mouth and:
- A. personal selling
 - B. publicity
 - C. promotion
 - D. advertising
44. An automobile manufacturer is studying the current design to find ways to improve the auto's mileage performance. This is an example of:
- A. specific research
 - B. theoretical research
 - C. pure research
 - D. applied research
45. A situation in which a few large companies control an industry is called:
- A. a competitive market
 - B. a free-trade zone
 - C. a duty-free market
 - D. an oligopoly
46. Which type of market is best suited to entrepreneurship?
- A. traditional economy
 - B. mixed economy
 - C. market economy
 - D. command economy
47. _____ refers to how much (quantity) of a product or service is desired by buyers.
- A. Excess
 - B. Demand
 - C. Supply
 - D. Surplus
48. The most serious form of political risk for a multinational company is:
- A. import quotas
 - B. expropriation

- C. double taxation
 - D. exportation
49. Ethically questionable in selling would include:
- A. using partnership selling
 - B. having responses for all objections
 - C. telling a prospective customer a product will be delivered in two weeks when they know it will be four weeks
 - D. using suggestive selling
50. The ultimate sales goal is:
- A. becoming a monopoly
 - B. repeat customers
 - C. outsmarting the competition
 - D. large one-time purchases
51. Google Corporation offers free food, health insurance, and six months of maternity leave for both parents. This is an example of:
- A. benefits
 - B. wages
 - C. salary
 - D. compensation
52. The term cap is short for ____, which is computed by multiplying share price by the number of a company's outstanding shares.
- A. capitalization
 - B. capital interest
 - C. capacity
 - D. market capitalization
53. Which one of the following is not an example of inventory?
- A. employees
 - B. supplies
 - C. materials
 - D. finished goods
54. What is the ratio of a company's sales revenues to those of the entire industry?
- A. market share
 - B. sales forecast
 - C. unit volume
 - D. penetration ratio
55. Which one of the following is not true about a culture with strong business and family ties?
- A. Family members are encouraged to earn college degrees in other fields not related to the

business.

- B. Family members are usually promoted first in a family-owned business.
 - C. Several members of a family may work in the same business.
 - D. Protecting a family member is sometimes more important than a good business decision.
56. The aging workforce and less-loyal employees would likely affect which resource in a business?
- A. natural
 - B. human
 - C. capital
 - D. environmental
57. A traditional economy is influenced by all of these factors except:
- A. customs
 - B. habits
 - C. government
 - D. religion
58. Entrepreneurs:
- A. increase unemployment by taking the best jobs for themselves.
 - B. are opposed to untested products.
 - C. create products that change the way people live and conduct business.
 - D. have little impact on supply and demand.
59. The largest segment of union workers are:
- A. garment workers
 - B. automobile workers
 - C. government workers
 - D. construction workers
60. The number and type of businesses in a channel of distribution are determined by the:
- A. cost of the product
 - B. activities that need to be performed
 - C. number of consumers
 - D. product assortment
61. Which one of the following best describes the term selling?
- A. establishes a relationship with a customer
 - B. eliminates customer objections
 - C. matches customer needs and wants with features and benefits of a product or service
 - D. explains uses of a product
62. A statement by the seller or manufacturer of a product that it will work in the manner specified and the maker's responsibility to repair or replace a defective product or its parts is the:
- A. Warranty

- B. guarantee
 - C. disclosure
 - D. full disclosure
63. International treaties and trade agreements may serve all the following purposes except:
- A. helping to provide uniformity between different cultures and customs
 - B. setting currency exchange rates
 - C. allowing free flow of goods and services between member countries
 - D. helping to ensure fair competition practices between member countries
64. When an individual loads their grocery cart, they have a(n) _____ contract.
- A. ethical
 - B. sales
 - C. implied
 - D. expressed
65. Exxon Mobile is making an enormous profit in the oil industry today and has come under scrutiny because consumers are paying much more for gas, home heating fuel, and everything else which has risen in price due to the increase in the price of crude oil. When Exxon Mobile created and posted a Web page explaining its involvement in local, national, and international community's it was:
- A. looking for prospective customers
 - B. promoting a positive community relationship
 - C. advertising
 - D. delving into new technology
66. _____ is a duty that a government places on imported products.
- A. Tariff
 - B. Quota
 - C. Sanction
 - D. Restriction
67. Gross Domestic Product (GDP) is:
- A. the total value of all goods produced in a year
 - B. the total value of all services produced in a year
 - C. the total value of all domestic purchases, excluding commercial buying, in a year
 - D. the total value of all final good and services produced in a year
68. The first activity in production planning is:
- A. hiring experts
 - B. development of a production process
 - C. obtaining production resources
 - D. researching the competition

69. International competitive advantage exists when a company:
- A. has about the same manufacturing costs as other companies in the market
 - B. builds the best reputation for quality of all companies in the market
 - C. employs the most employees
 - D. produces a comparable product at the same cost as others in the market
70. The broader the solutions, the greater the creativity and possibility for innovation. This is a benefit of which perspective?
- A. contingency
 - B. universal
 - C. behavioral
 - D. quantitative
71. A _____ warranty guarantees that a product will be repaired or replaced at no cost to the purchaser if found to be defective.
- A. merchantability
 - B. full
 - C. implied
 - D. limited
72. The rules of moral values that guide decision making are referred to as:
- A. cultural values
 - B. business ethics
 - C. legal responsibility
 - D. social responsibility
73. What is the term used to describe the amount of difference in the conversion of one nation's currency to another country's currency?
- A. market rate
 - B. flat rate
 - C. countertrade
 - D. exchange rate
74. A country with exports of \$6 million and imports of \$10 million has a:
- A. favorable balance of payments
 - B. healthy economy
 - C. unfavorable balance of payments
 - D. trade deficit
75. In modern factories:
- A. assembly lines are never used
 - B. employees usually work completely on their own
 - C. supplies and parts move along conveyor belts to arrive just as they are needed
 - D. customization of products has become more viable

76. The principal objectives of global money management are to:
- A. ensure cultural differences do not affect business
 - B. maximize firm's global tax liabilities
 - C. minimize firm's global tax liabilities
 - D. minimize the firm's global tax assets
77. A method used for offering a different product that would better satisfy the needs of a customer.
- A. Service
 - B. Substitution
 - C. Bait-and-switch
 - D. Link
78. What is the first step in the financial planning process?
- A. create a plan
 - B. make a decision and take action
 - C. find out what others would do
 - D. set goals
79. _____ resources are the most important to the success of a company.
- A. Capital
 - B. People
 - C. Technology
 - D. Equity
80. Before making a loan to a small business, banks prefer to see:
- A. sufficient cash flow generated by the business
 - B. sufficient employees hired
 - C. sufficient expenses
 - D. sufficient overhead
81. The process of developing a _____ begins with a company's self-examination to identify values held by individuals and alert everyone to inconsistencies in how people deal with particular issues.
- A. vision statement
 - B. code of ethics
 - C. strategy statement
 - D. mission statement
82. Which one of the following statements is correct?
- A. When demand goes down prices tend to go up
 - B. When demand goes up prices tend to go down
 - C. When supply goes down prices tend to go down
 - D. When supply goes up prices tend to go down

83. With ___ shares, investors are usually guaranteed a fixed dividend in perpetuity.
- A. personal
 - B. preferred
 - C. valued
 - D. common
84. ___ involves dedication to the employer.
- A. Multitasking
 - B. Intuitive
 - C. Job loyalty
 - D. Work ethic
85. Which factor might best influence supply?
- A. worker's expectations
 - B. government expectations
 - C. consumer expectations
 - D. producer expectations
86. Since the business purchases goods for resale they are called the:
- A. casual seller
 - B. owner
 - C. vendee
 - D. vendor
87. The ___ industry involves helping businesses and individuals anticipate potential risks and protect themselves from losses.
- A. insurance
 - B. accounting
 - C. hedge fund
 - D. financial analyst
88. The first step in managing cash more effectively is understanding the company's:
- A. cash flow cycle
 - B. net liabilities
 - C. net assets
 - D. owner's equity
89. A code of ___ is a set of general guidelines or values.
- A. conduct
 - B. facts
 - C. trust
 - D. ethics

90. Purchasing foreign goods and services is called:
- A. intrastate purchases
 - B. exporting
 - C. importing
 - D. an embargo
91. Self insurance of ___ occurs when a company takes responsibility for losses from certain risks.
- A. risk avoidance
 - B. risk reduction
 - C. risk sharing
 - D. risk assumption
92. A/An ___ is an agreement between two or more companies from different countries to share a business project.
- A. joint venture
 - B. independent contract
 - C. licensed agreement
 - D. franchise
93. Which one of the following describes the movement of goods from one state to another that is regulated by the federal government?
- A. interstate taxes
 - B. interstate commerce
 - C. intrastate transportation
 - D. intrastate trade
94. The first step of the sales process is:
- A. presentation
 - B. preapproach
 - C. approach
 - D. prospecting
95. The ___ believes that the right thing for a person to do in any situation is the action that best serves that person's own long-term interests.
- A. Utility Principle
 - B. Principle of Duties
 - C. Principle of Virtues
 - D. Egoism Principle
96. Businesses must deposit sales tax ___ into a bank account that belongs to the government.
- A. daily
 - B. every month
 - C. quarterly
 - D. every week

97. Businesses implement quality control process for all of the following reasons except ____.
- A. to maximize operational effectiveness
 - B. to minimize errors
 - C. to expedite workflow
 - D. to downsize the workforce or decide layoffs
98. ____ refers to a type of corporate action taken when significantly modifying the debt, operations or structure of a company as a means of potentially eliminating financial harm and improving the business.
- A. Launch
 - B. Bankruptcy
 - C. Restructuring
 - D. Buyout
99. What are benchmarks?
- A. specific points in the manufacturing process that tell workers whether they are on schedule or not
 - B. the best practices among all competitors
 - C. a detailed series of instructions about how to produce a certain item
 - D. the intervals where an assembly line in a factory does not move, allowing workers to complete production tasks
100. One business controlling an entire market for a particular product is an example of a:
- A. free enterprise
 - B. economic superiority
 - C. monopoly
 - D. oligopoly

Answer Key

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