Exploring the World of Business

QUIZ I

1. Free enterprise is a system of business in which individuals decide what to produce and how to produce it.
   T  F

2. Less than 50 percent of small businesses fail within the first five years.
   T  F

3. Business is the organized effort of individuals to produce and sell, for a profit, the products and services that satisfy society's needs.
   T  F

4. Adam Smith argued that a society's interests are best served when individuals are allowed to pursue their own self interest.
   T  F

5. The business cycle consists of two or more consecutive three-month periods of decline in a country's GDP.
   T  F

6. A general rise in the level of prices is called
   a. free enterprise.
   b. inflation.
   c. gross domestic product.
   d. depression.
   e. monopoly.

7. A market situation in which there are many buyers and sellers of a product, and no single buyer or seller can control the price is
   a. an oligopoly.
   b. a monopolistic marketplace.
   c. a monopoly.
   d. pure competition.
   e. a laissez-faire market.

8. A system of exchange in which goods or services are exchanged without using money is called
   a. a barter system.
   b. free enterprise.
   c. monetary policy.
   d. fiscal policy.
   e. monopolistic competition.

9. The separation of a manufacturing process into distinct tasks is referred to as
   a. barter.
   b. specialization.
   c. factory system.
   d. domestic system.
   e. an economy of scale.

10. A method of manufacturing in which all materials, machinery, and workers are assembled in one place is called the
    a. economic system.
    b. domestic system.
    c. Slater's system.
    d. factory system.
    e. an oligopoly.
QUIZ II

T  F  1. Today the terms *business* and *e-business* mean the same thing.
T  F  2. Wal-Mart and Target are often referred to as marketing intermediaries.
T  F  3. Profit is the payment that business owners receive for assuming the considerable risks of ownership.
T  F  4. Approximately one-third of our nation’s total production consists of consumer products.
T  F  5. A monopoly is a market (or industry) with only one seller.
     6. Which of the following is *not* one of the four resources used by business today?
         a. Material
         b. Informational
         c. Governmental
         d. Financial
         e. Human
     7. Today, the U.S. economy is often characterized as a _________ economy.
         a. laissez-faire
         b. command
         c. socialist
         d. mixed
         e. Smithonian
     8. Many economists refer to the average level of output per worker per hour as
         a. productivity.
         b. inflation.
         c. the business cycle.
         d. real GDP.
         e. the trough.
     9. Which of the following is *not* one of the four states in a business cycle?
         a. Peak
         b. Recession
         c. Trough
         d. Recovery
         e. Deficit
     10. Before leaving England, _________ memorized the plans for a water-powered spinning machine and set up a textile plan in Pawtucket, Rhode Island.
         a. Eli Whitney
         b. Franklin Roosevelt
         c. Samuel Slater
         d. Mark Cuban
         e. Cyrus McCormick
ANSWER KEY FOR QUIZZES

Quiz I
1. T
2. F
3. T
4. T
5. F
6. b
7. d
8. a
9. b
10. d

Quiz II
1. F
2. T
3. T
4. F
5. T
6. c
7. d
8. a
9. c
10. c

CLASS EXERCISE—TRANSPARENCY 1.B
1. Pure competition: product—farm produce
   specific firm—grocery store
2. Monopolistic competition:
   product—toothpaste
   specific firm—grocery, drug, and convenience stores
3. Oligopoly:
   product—automobiles
   specific firm—automobile dealership
4. Monopoly:
   product—electric utility
   specific firm—local utility company

CHAPTER QUIZ—TRANSPARENCY 1.D
1. b
2. c
3. d
4. b
5. a
Being Ethical and Socially Responsible

QUIZ I

1. Social responsibility is the recognition that business activities have an impact on society and the consideration of that impact in business decisions.

2. The economic model of social responsibility places emphasis not only on profits but also on the impact of business decisions on society.

3. Consumerism consists of all those activities that are undertaken to protect the rights of consumers in their dealings with business.

4. Six basic rights of consumers are the right to safety, the right to be informed, the right to choose, the right to be heard, the right to consumer education, and the right to service.

5. Whistle-blowing is an attempt by business to stop employees from exposing their unethical business behavior.

6. One factor that influences ethical decision making is the ________ factor.
   
   a. business
   b. consumer
   c. marketing
   d. opportunity
   e. internal

7. A plan designed to increase the number of minority employees at all levels within an organization is called
   
   a. the hard-core unemployed.
   b. an affirmative action program.
   c. the Equal Employment Opportunity Commission.
   d. the socioeconomic initiative.
   e. the right to work.

8. Initiating a social responsibility program takes
   
   a. the commitment of top executives.
   b. the commitment of middle managers.
   c. the commitment of employees.
   d. no commitment.
   e. the commitment of competitors.

9. Funding for a program of social responsibility can come from
   
   a. the employees in the corporation.
   b. volunteer efforts of the American public.
   c. corporations that absorb the costs as a business expense.
   d. governmental sources.
   e. environmental groups.

10. A guide to acceptable and ethical behavior is known as
    
    a. a code of ethics.
    b. business ethics.
    c. a social audit.
    d. consumerism.
    e. an ethical behavior guide.
QUIZ II

1. A policy of considering only nonminority applicants for job openings is called reverse discrimination.
2. Today, few firms are either purely economic or purely socioeconomic in their outlook.
3. Working conditions in the early twentieth century were not much different from those that exist today, except for the more advanced technology involved.
4. Government intervention into business increased after the Great Depression of the 1930s.
5. An argument for increased social responsibility is the fact that, because business managers are primarily responsible to business owners, they must be concerned with providing a return on the owners’ investments.

6. A group of people who have been singled out for unfavorable treatment on the basis of race, religion, politics, or national origin is called
   a. an affirmative action group.
   b. the hard-core unemployed.
   c. a minority.
   d. economically disadvantaged.
   e. a majority.

7. Pollution in our country is made up of
   a. air pollution.
   b. land pollution.
   c. noise pollution.
   d. water pollution.
   e. All of the above.

8. A government agency with the power to investigate complaints of discrimination and to sue firms that practice discrimination is the
   a. National Alliance of Business.
   c. NAACP.
   e. Interstate Commerce Commission.

9. Acid rain causes __________ pollution.
   a. air
   b. noise
   c. water
   d. land
   e. practically no

10. An employee’s decision to inform the press or government officials of his or her firm’s unethical practices is referred to as
    a. whistle-blowing.
    b. the corporate code of ethics.
    c. business ethics.
    d. the grapevine.
    e. tattling.
ANSWER KEY FOR QUIZZES

Quiz I
1. T 6. d
2. F 7. b
3. T 8. a
4. T 9. c
5. F 10. a

Quiz II
1. F 6. c
2. T 7. e
3. F 8. b
4. T 9. c
5. F 10. a

CLASS EXERCISE—TRANSPARENCY 2.B
Student answers will vary. The objective of this exercise is to discuss the complex issues involved in defining ethical behavior. Have the class discuss the ethical issues in each situation and defend whether or not the situation is ethical.

CHAPTER QUIZ—TRANSPARENCY 2.D
1. e
2. d
3. e
4. b
5. b
Exploring Global Business

QUIZ 1

1. The ability to produce a specific product more efficiently than any other nation is called **comparative advantage**.

2. International business consists of all business activities that involve exchanges across national boundaries.

3. The balance of trade is the total value of a country’s exports less the total value of its imports over some period of time.

4. An argument for trade restriction is that it protects national security.

5. The General Agreement on Tariffs and Trade is an international organization whose goal is to reduce or eliminate tariffs and other barriers to world trade.

6. The selling and shipping of raw materials or products to other nations is called
   a. importing.
   b. exporting.
   c. balance of trade.
   d. balance of payments.
   e. dumping.

7. A type of trade restriction that limits the amount of a particular good that may be imported into a country during a given period of time is
   a. a tariff.
   b. an import quota.
   c. an embargo.
   d. foreign-exchange control.
   e. currency devaluation.

8. An organization of nations formed to promote the free movement of resources and products among its members and to create common economic policies is
   a. European Free Trade Organization.
   b. a global community.
   c. an economic community.
   d. an international economic organization.
   e. a strategic alliance of nations.

9. A firm that operates on a worldwide scale is called
   a. a multinational enterprise.
   b. a multilateral development.
   c. the Export-Import Bank of the United States.
   d. the International Monetary Fund.
   e. a strategic alliance.

10. Which of the following arranges the sale of products to foreign intermediaries for a commission or fee?
    a. Export/import merchant
    b. Export/import agent
    c. Sales office or branches
    d. Joint venture
    e. Franchisor
QUIZ II

T F 1. An absolute advantage is the ability to produce a specific product more efficiently than any other products.

T F 2. The balance of payments is the total value of a country's exports less the total value of its imports.

T F 3. Exporting is purchasing raw materials or products in other nations and bringing them into one's own country.

T F 4. An argument against trade restrictions is that they limit consumers' choices.

T F 5. Licensing is a contractual agreement in which one firm permits another to produce and market its product and to use its brand name in return for a royalty or other compensation.

6. A reduction of the value of a nation's currency relative to the currencies of other countries is called
   a. an embargo.
   b. foreign-exchange control.
   c. currency devaluation.
   d. a quota.
   e. currency appreciation.

7. Which of the following extends and guarantees credit to overseas buyers of American goods and services, guarantees short-term financing for export, and discounts negotiable instruments that arise from export transactions?
   a. Eximbank
   b. International Monetary Fund
   c. Multilateral development banks
   d. Bank of Washington, D.C.
   e. National Trade Data Bank

8. An argument against trade restriction is
   a. to retaliate for another nation's trade restrictions.
   b. to protect new or weak industries.
   c. to protect national security.
   d. misallocation of international resources.
   e. to protect the health of citizens.

9. An international bank that makes short-term loans to countries experiencing balance of payment deficits is the
   a. Eximbank
   b. International Monetary Fund
   c. Export-Import Bank of the United States
   d. multilateral development bank.
   e. World Bank

10. A partnership with a foreign country that can provide immediate market knowledge and access, reduced risk, and control over product attributes is a(n)
    a. multinational enterprise.
    b. economic community.
    c. joint venture.
    d. syndicate.
    e. counter trade.
ANSWER KEY FOR QUIZZES

Quiz I
1. F
2. T
3. T
4. T
5. T
6. b
7. b
8. c
9. a
10. b

Quiz II
1. F
2. F
3. F
4. T
5. T
6. c
7. a
8. d
9. b
10. c

CLASS EXERCISE—TRANSPARENCY 3.B
1. Cultural and social
2. Cultural
3. Economic
4. Social and economic
5. Cultural and social
6. Cultural
7. Economic
8. Cultural
9. Economic
10. Cultural
11. Political/legal
12. Political/legal
13. Cultural
14. Cultural
15. Legal

Chapter Quiz—Transparency 3.D
1. d
2. d
3. b
4. a
5. c
Choosing a Form of Business Ownership

QUIZ I

T F 1. Today, there are more corporations than there are sole proprietorships and partnerships in the United States.

T F 2. For a sole proprietorship and partnership, unlimited liability is a legal concept that holds a business owner personally responsible for all the debts of the business.

T F 3. Limited partners in a limited partnership can lose no more than the money they invest in the business.

T F 4. Before a corporation can receive an articles of incorporation, it must submit charter information to the county clerk where the business is located.

T F 5. The corporate officers of a corporation are elected by the stockholders.

___ 6. A corporation whose stock is bought and sold on security exchanges and can be purchased by any individual is referred to as a(n) ________ corporation.
   a. closed
   b. domestic
   c. open
   d. foreign
   e. exchange

___ 7. Corporate stock that has voting rights is referred to as ________ stock.
   a. charter
   b. preferred
   c. treasury
   d. domestic
   e. common

___ 8. Ease of raising capital is a characteristic of which type of ownership?
   a. Cooperatives
   b. Corporations
   c. Sole proprietorships
   d. Not-for-profit corporations
   e. Foreign corporations

___ 9. A form of corporation that has no more than seventy-five stockholders and eliminates the problem of double taxation is
   a. limited-liability company.
   b. limited-liability partnership.
   c. domestic corporation.
   d. S-corporation.
   e. joint venture corporation.

___ 10. Which of the following is not a tactic that management can use to fend off a hostile takeover?
   a. Golden parachute provision for management
   b. Leveraged recapitalization
   c. Friendly white knight
   d. Ask the U.S. Department of Commerce to grant an injunction
   e. Adopt a supermajority provision to ratify a corporate takeover
QUIZ II

1. There are more sole proprietorships in the United States than there are partnerships or corporations.
   T
   F

2. The term *limited partnership* is used to describe a business where all partners have general partnership status.
   T
   F

3. The people who start a corporation are called incorporators.
   T
   F

4. Preferred stockholders are paid dividends before common stockholders.
   T
   F

5. A vertical merger takes place between firms in completely different industries.
   T
   F

6. The type of business that is the easiest to form is the
   a. joint venture.
   b. syndicate.
   c. sole partnership.
   d. corporation.
   e. cooperative.

7. The state of _______ offers the lowest organizational costs for a corporation.
   a. New York
   b. Delaware
   c. Utah
   d. Alaska
   e. Florida

8. Which of the following is an advantage of a corporation?
   a. Limited liability
   b. Double taxation
   c. Government regulations
   d. Lack of continuity
   e. Unlimited liability

9. The type of business ownership that is owned partly by the government and partly by private citizens is a(n)
   a. pseudo corporation.
   b. open corporation.
   c. limited-liability company.
   d. quasi-government corporation.
   e. not-for-profit corporation.

10. A technique used to gather enough stockholder votes to control a targeted company is referred to as a
    a. golden parachute.
    b. proxy fight.
    c. hostile takeover.
    d. leveraged buyout.
    e. supermajority provision.
ANSWER KEY FOR QUIZZES

Quiz I
1. F
2. T
3. T
4. F
5. F
6. c
7. c
8. b
9. d
10. d

Quiz II
1. T
2. F
3. T
4. T
5. F
6. c
7. b
8. a
9. d
10. b

CLASS EXERCISE—TRANSPARENCY 5.B
Student answers will vary. You may want to use the questions to illustrate the importance of initial preparation before opening a business.

CHAPTER QUIZ—TRANSPARENCY 5.D
1. c
2. e
3. b
4. e
5. a
Small Business, Entrepreneurship, and Franchises

QUIZ I

1. A small business is one that is dependent, operated as a not-for-profit organization, and is not dominant in its field.
   
   T   F

2. The primary reason for small-business failure is mismanagement resulting from lack of business know-how.
   
   T   F

3. The type of person likely to start a small business is independent, has a desire to determine his or her own destiny, and is willing to find and accept a challenge.
   
   T   F

4. The SBA is more likely to help non-minority small businesses.
   
   T   F

5. Franchising is the actual granting of a franchise.
   
   ____________

6. A government agency that was created to assist, counsel, and protect the interests of small businesses in the United States is called
   a. Small Business Institutes.
   b. Small Business Investment Companies.
   c. the Small Business Administration.
   d. Small Business Development Centers.
   e. Small Business Guidance Centers.

7. Businesses seem to cluster in which of the following industries?
   a. Service industries
   b. Distribution industries
   c. Production industries
   d. Financial industries
   e. All of the above

8. A group of retired business people who volunteer their time to help small-business owners is known as
   a. SCORE.
   b. ACE.
   c. SBDC.
   d. SBI.
   e. SBIC.

9. A privately owned company that provides venture capital to small firms is a(n)
   a. small-business association.
   b. small-business investment company.
   c. small-business institute.
   d. active corps of executives.
   e. small-business development center.

10. The person or firm that purchases a franchise is called a(n)
    a. entrepreneur.
    b. franchisor.
    c. franchisee.
    d. enterpriser.
    e. capitalist.
QUIZ II

1. An advantage to the franchisor is that he or she gains fast and selective distribution of the product.

2. An advantage for the franchisee is the opportunity to start a business with limited capital.

3. The majority of small businesses are found in the production industry.

4. Because of their small size, small businesses affect the U.S. economy very little.

5. Planning is one vital element in the success of a small business.

6. The individual or firm that grants a franchise is known as the
   a. SBA.
   b. franchisor.
   c. franchised.
   d. entrepreneur.
   e. grantor.

7. Small businesses provide
   a. technical innovation.
   b. employment.
   c. competition.
   d. filling the needs of society.
   e. All of the above.

8. One advantage of a small business is
   a. no risk of failure.
   b. unlimited potential for employers.
   c. personal relationships with customers and employees.
   d. unlimited potential for employees.
   e. limited ability of raising capital.

9. Groups of senior and graduate students in business administration who provide management counseling are called
   a. small-business institutes.
   b. small-business development centers.
   c. active corps of business students.
   d. small-business investment centers.
   e. small-business senior centers.

10. The disadvantages of franchising mainly affect the
    a. consumer.
    b. franchisor.
    c. franchisee.
    d. Both b and c.
    e. grantor.
**ANSWER KEY FOR QUIZZES**

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**Quiz II**

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**CLASS EXERCISE—TRANSPARENCY 6.B**

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**CHAPTER QUIZ—TRANSPARENCY 6.D**

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QUIZ 1

T F 1. Of the four main resources available to management, perhaps the most important is the organization’s financial resources.

T F 2. Strategic planning is the process of establishing an organization’s major goals and objectives and allocating the resources to achieve them.

T F 3. Middle-level managers are generally responsible for developing an organization’s mission.

T F 4. When a manager allocates resources between different departments, he or she is acting in a decisional role.

T F 5. Of the three styles of leadership, the most effective is the democratic style.

_____ 6. Tangible, physical resources that a manufacturer uses in carrying out its business are known as what type of resource?
   a. Human
   b. Inventory
   c. Material
   d. Financial
   e. Informational

_____ 7. Specific statements detailing what the organization intends to accomplish as it goes about its mission are known as its
   a. objectives.
   b. goals.
   c. contingency plans.
   d. strategy.
   e. policy.

_____ 8. Which one of the following is not considered an area of specialization in management?
   a. Finance
   b. Marketing
   c. Inventory
   d. Human resources
   e. Administration

_____ 9. A manager performing the functions of figurehead, liaison, or leader would be fulfilling a(n)___ role.
   a. informational
   b. interpersonal
   c. diagnostic
   d. administrative
   e. decisional

_____ 10. Leadership is
   a. synonymous with management.
   b. the ability to influence others.
   c. characterized by legitimate power.
   d. coordinating people to achieve the goals of the company.
   e. the ability to coerce employees into changing their behavior.
QUIZ II

1. The informational resource should include information generated outside an organization, such as by the economy, consumer markets, and technology. **T**

2. The most fundamental type of goal in an organization is its mission. **T**

3. The administrative manager is charged with managing an organization's human resource program. **F**

4. Understanding the technical side of things is an effective management aid at every level. **T**

5. The common leadership styles are autocratic, democratic, and existential. **F**

6. Steel, glass, and fiberglass would most likely be material resources for

   a. the Mayo Clinic.
   b. the University of Florida.
   c. Citicorp.
   d. General Motors.
   e. Kroger.

7. The process of providing reasons for people to work in an organization's best interests is called

   a. planning.
   b. organizing.
   c. leading.
   d. motivating.
   e. controlling.

8. Part of Susan's responsibilities is to create a work schedule for her employees and to motivate them. What type of manager is she?

   a. Front-line
   b. Middle
   c. Top
   d. Control
   e. First-line

9. If Mike Smith, a buyer for Ford, negotiates with a supplier on the price of a wheel, he is in a(n)

   a. decisional
   b. interpersonal
   c. technical
   d. conceptual
   e. informational

10. Under an authoritarian leader, communication

    a. usually moves from bottom to top.
    b. usually moves from top to bottom.
    c. does not occur.
    d. flows horizontally at the top only.
    e. flows horizontally among group members.
ANSWER KEY FOR QUIZZES

Quiz I
1. F 6. c
2. T 7. a
3. F 8. c
4. T 9. b
5. F 10. b

Quiz II
1. T 6. d
2. T 7. d
3. F 8. e
4. T 9. a
5. F 10. b

CLASS EXERCISE—TRANSPARENCY 7.B

Technical skill is a specific skill needed to accomplish a specialized activity. A manager uses technical skills when he or she shows an employee how to operate a piece of machinery.

Conceptual skill is the ability to think in abstract terms. A manager uses conceptual skills when trying to resolve a conflict between two different work groups.

Interpersonal skill is the ability to deal effectively with other people. A manager uses interpersonal skills when he or she evaluates employees.

CHAPTER QUIZ—TRANSPARENCY 7.D
1. b
2. d
3. e
4. d
5. b
Attracting and Retaining the Best Employees

QUIZ I

1. An organization's most important resource is its human resource.
   T       F

2. The starting point for human resources planning is the firm's overall strategic plan.
   T       F

3. Cultural diversity in the workplace is an issue that must be addressed primarily by those firms operating in highly diverse geographic areas.
   T       F

4. Perhaps the most widely used selection technique is the employment test.
   T       F

5. Most employee benefits, such as holidays, sick leave, and insurance, are required by law.
   T       F

6. The activities involved in the acquisition of human resources are HR planning,
   - job analysis, recruiting, employee relations, and compensation.
   - job analysis, recruiting, selection, and orientation.
   - hiring, orientation, training and development, and job analysis.
   - job analysis, recruiting, training and development, and benefits orientation.
   - job analysis, employee relations, selection, and training.

7. Determining a firm's future human resources needs is referred to as
   - management development.
   - performance appraisal.
   - recruiting.
   - a replacement chart.
   - human resources planning.

8. Well-managed cultural diversity is not likely to
   - develop cost advantages for the firm.
   - provide different viewpoints in decision making.
   - give the firm a marketing edge.
   - give preferential treatment to certain groups.
   - improve the firm's level of productive creativity.

9. The requirements needed to fill a vacancy are listed in the job
   - inventory.
   - description.
   - analysis.
   - specification.
   - evaluation.

10. Attempting to attract job applicants from outside an organization is called
    - selection.
    - external recruiting.
    - external replacement.
    - internal recruiting.
    - vestibule selection.
QUIZ II

1. The four phases of human resources management are acquiring, maintaining, developing, and
   terminating.

2. Perhaps the most humane method of reducing the size of a firm's work force is through attrition.

3. Job specification refers to the list of elements that make up a particular job.

4. Recruiting on college campuses and recruiting at union hiring halls are examples of internal
   recruiting.

5. Title VII of the Civil Rights Act of 1964 applies directly to selection and promotion of
   employees.

6. The activities involved in acquiring, maintaining, and developing an organization's human
   resources are called
   a. human resources management.
   b. human resources planning.
   c. skills inventory.
   d. recruiting.
   e. selection.

7. You have been asked to assist Fuller Company in its human resources planning. You will
   suggest they take all the following steps except
   a. developing the overall strategic plan.
   b. acquiring funds for implementation.
   c. forecasting future demand.
   d. forecasting future supply within the firm.
   e. matching supply with demand.

8. Diversity training programs may include all of the following except
   a. appointing a cultural diversity task force.
   b. recruiting minorities.
   c. training minorities to be managers.
   d. training managers to view diversity positively.
   e. providing mentoring programs.

9. A systematic procedure for studying jobs to determine their various elements and requirements
   is called a job
   a. description.
   b. specification.
   c. analysis.
   d. orientation.
   e. inventory.

10. Considering present employees as applicants for available positions is called
    a. job posting.
    b. external recruiting.
    c. internal recruiting.
    d. organizational recruiting.
    e. an internal promotion plan.
ANSWER KEY FOR QUIZZES

Quiz I
1. T
2. T
3. F
4. F
5. F
6. b
7. e
8. d
9. d
10. b

Quiz II
1. F
2. T
3. F
4. F
5. T
6. a
7. b
8. a
9. c
10. c

CLASS EXERCISE—TRANSPARENCY 10.B
1. To determine a firm's wage level as compared to similar firms in the same geographic area, the human resources manager should conduct a wage survey.
2. A firm's wage structure is usually developed on the basis of a job evaluation. Therefore, the human resources manager could begin by examining job evaluations for each job within the firm.
3. Today, the easiest way to compare individual wages paid to the 230 workers involves a computer printout of wage ranges, job classifications, and individual wages. Based on this information, there may be a need for adjustments.

CHAPTER QUIZ—TRANSPARENCY 10.D
1. d
2. a
3. a
4. a
5. d
Building Customer Relationships Through Effective Marketing

QUIZ I

1. Financing, standardizing, risk taking, and gathering marketing information are called facilitating functions.

2. The business philosophy that involves the entire organization in the process of satisfying customers' needs while achieving the organization's goals is called the marketing concept.

3. Different products may not result in different marketing mixes.

4. The marketing plan doesn't include the exact allocation of resources to achieve the marketing objectives.

5. Marketing research is the process of gathering, recording, and analyzing data concerning a particular marketing problem.

6. Which of the following is not one of the steps in implementing the marketing concept?
   a. Obtaining information about existing and potential customers
   b. Pinpointing needs and potential customers for further marketing activities
   c. Mobilizing marketing resources to provide, promote, and distribute products
   d. Obtaining new information about effectiveness of efforts
   e. All are steps in implementing the marketing concept.

7. A marketing plan includes all of the following except
   a. schedules of marketing tasks.
   b. product production schedule.
   c. assignment of responsibilities.
   d. resource allocation.
   e. marketing objectives.

8. Which of the following is least likely to be a factor in developing a sales forecast?
   a. Geographic area in which the product is sold
   b. Last year's sales
   c. Entire product line
   d. Number of salespeople employed by the firm's major competitors
   e. Expected level of marketing effort

9. Eric recently bought a new BMW after many of his successful friends purchased BMWs of their own. After two months, Eric realized he could not afford to keep the car. Eric's initial buying was influenced most by ________ factors.
   a. psychological
   b. socio-economic
   c. aesthetic
   d. situational
   e. social

10. Income less taxes, savings, food, clothing, and housing is ________ income.
    a. gross
    b. personal
    c. disposable
    d. net
    e. discretionary
QUIZ II

T F 1. Business-to-business markets, which include churches, schools, and civic clubs, are a type of industrial market.

T F 2. Sales forecasts usually are generated by complex software and should not be biased by managerial input.

T F 3. A marketing information system is well suited to testing new products, determining various characteristics of consumer markets, and evaluating promotional activities.

T F 4. Business buyers are primarily interested in the product’s price.

T F 5. The way a consumer perceives a store is probably the most important factor that influences his or her decision about where to buy.

6. Which of the following is not one of the four commonly recognized forms of utility?
   a. Form
   b. Time
   c. Production
   d. Place
   e. Possession

7. When goods and services are purchased to maintain highways, education, water, and energy, the purchasers are members of what type of market?
   a. Business-to-business
   b. Producer
   c. Governmental
   d. Institutional
   e. Consumer

8. The ingredient of the marketing mix concerned with providing product information to target markets is
   a. quality.
   b. promotion.
   c. pricing.
   d. distribution.
   e. product.

9. The effects of consumers' social and cultural values, the consumer movement, and the environmental concerns would best be called ________ forces.
   a. technological
   b. legal and regulatory
   c. economic
   d. sociocultural
   e. competitive

10. An approach to collecting marketing information for specific marketing projects is called
    a. contracted marketing specialists.
    b. government information.
    c. marketing research.
    d. computer specialists.
    e. marketing consultants.
Answer Key for Quizzes

Quiz I
1. T
2. T
3. F
4. F
5. T
6. e
7. b
8. d
9. e
10. e

Quiz II
1. T
2. F
3. F
4. F
5. T
6. c
7. c
8. b
9. d
10. c

Class Exercise—Transparency 13.B
1. Recreational vehicles (RVs)—age, income
2. Baby food—family life cycle, age
3. Rolls-Royce automobiles—income, social class
4. Snow tires—climate
5. Hotel rooms—income, business vs. tourism
6. Magazines—age, job, education, ethnicity
7. Soft drinks—age, sex
8. Movies—age, family life cycle
9. Shoes—age, income, occupation
10. Bicycles—income, age, lifestyle
11. Air passenger service—income, business vs. tourism
12. Cameras—lifestyle, occupation, income
13. Swimsuits—age, climate, sex
14. Restaurants—income, age, city size, lifestyle

Chapter Quiz—Transparency 13.D
1. d
2. e
3. d
4. d
5. c
QUICK 1
1. The term integrated marketing communications can be described as a combination of promotion methods a firm uses to reach a target market.

2. Print media account for about 25 percent of all advertising expenditures.

3. The most expensive promotional method is personal selling.

4. A feature article is a type of publicity that is generally one typed page of about three hundred words.

5. Firms that sell multiple products tend to use one promotion mix to minimize costs.

6. Communication that is intended to inform, persuade, or remind an organization's target markets about the organization and its products is called
   a. publicity.
   b. advertising.
   c. public relations.
   d. personal selling.
   e. promotion.

7. The four major ingredients in the promotion mix are advertising, personal selling, public relations, and
   a. research development.
   b. nonpersonal selling.
   c. sales presentation.
   d. corporate philanthropy.
   e. sales promotion.

8. After the media planner determines which form(s) of media to use to reach the target market (i.e., television ads, radio ads, magazine ads, etc.), the next step is to
   a. execute campaign.
   b. determine how much can be spent on the campaign.
   c. create the advertising messages.
   d. evaluate the decisions made with regard to media type and media content.
   e. create the advertising platform.

9. The most expensive technique of sales promotion is
   a. refunding.
   b. sampling.
   c. coupons.
   d. premiums.
   e. point-of-purchase displays.

10. When planning a promotional campaign, marketers must decide not only to what extent each promotional method will be used in the promotion mix, but also
    a. what effect each method will have on sales of the product.
    b. what the role of promotion will be in the overall marketing mix.
    c. which method or methods are better for reaching the target market.
    d. how much to spend on each method.
    e. whether the company needs to spend any money at all on promotional activities.
QUIZ II

1. Any nonpersonal promotional message that is paid for by an identified sponsor and directed to a large audience is called **publicity**.

2. Institutional advertising is by far the most common type of advertising and receives the largest share of advertising expenditures.

3. An independent firm that plans, produces, and places advertising for its clients is called a **public relations firm**.

4. A news release is a type of publicity that is generally one typed page of about three hundred words.

5. In general, industrial products require a considerable amount of personal selling.

6. Bad publicity due to the Alaskan oil spill tarnished Exxon Corporation's corporate image. What type of advertising was used to create a favorable image?
   a. Primary-demand
   b. Selective-demand
   c. Comparative
   d. Immediate-response
   e. Institutional

7. The market that a store attempts to reach by using newspaper advertising is a(n)
   a. primary demand audience.
   b. national market.
   c. local market.
   d. interested market.
   e. zone market.

8. The advertising medium that receives the largest share of advertising dollars is
   a. television.
   b. magazines.
   c. radio.
   d. direct mail.
   e. newspaper.

9. Salespersons can be identified as one or all of the following: order getters, order takers, and
   a. technical salespersons.
   b. prospect personnel.
   c. trade salespersons.
   d. support personnel.
   e. missionary salespersons.

10. General Mills offered consumers two free Nike golf balls attached to boxes of its Wheaties cereal. This sales promotion technique is called a
    a. sample.
    b. coupon.
    c. prize.
    d. premium.
    e. bribe.
ANSWER KEY FOR QUIZZES

Quiz I
1. F
2. F
3. T
4. F
5. F
6. e
7. c
8. c
9. b
10. b

Quiz II
1. F
2. F
3. F
4. T
5. T
6. e
7. c
8. a
9. d
10. d

CLASS EXERCISE—TRANSPARENCY 16.B
Students’ answers will vary.

CHAPTER QUIZ—TRANSPARENCY 16.D
1. a
2. c
3. a
4. d
5. e