Package Title: Practice

Course Title: Boone, Contemporary Business, Third Canadian Edition

Chapter Number: 07

Shuffle: No

Question type: Multiple Choice

1) What is management?

a) Management is supervising employees.

b) Management involves making decisions and controlling costs.

c) Management is the process of achieving organizational objectives through people and other resources.

d) Management is the process of reporting organizational successes and failures to investors and others.

Answer: c

Difficulty: Easy

Learning Objective 1: LO7.1 Describe management.

Section Reference 1: What Is Management?

Bloom’s Taxonomy: Knowledge

2) A firm’s management usually has three levels **except**

a) top.

b) middle.

c) supervisory.

d) technical.

Answer: d

Difficulty: Easy

Learning Objective 1: LO7.1 Describe management.

Section Reference 1: What Is Management?

Bloom’s Taxonomy: Knowledge

AACSB: Communication

3) Which of the following is **not** one of the four basic functions of management?

a) planning

b) organizing

c) leading

d) controlling

Answer: c

Difficulty: Medium

Learning Objective 1: LO7.1 Describe management.

Section Reference 1: What Is Management?

Bloom’s Taxonomy: Comprehension

AACSB: Communication

4) The process of looking forward to future events and conditions, and deciding on the courses of action for achieving organizational goals, is which one of the four basic functions of management?

a) planning

b) organizing

c) directing

d) controlling

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.1 Describe management.

Section Reference 1: What Is Management?

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

5) Which managerial function involves blending human and material resources through a formal structure of tasks and authority?

a) planning

b) organizing

c) directing

d) controlling

Answer: b

Difficulty: Medium

Learning Objective 1: LO7.1 Describe management.

Section Reference 1: What Is Management?

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

6) Under the provisions of the Sarbanes-Oxley Act, for example, CEOs and CFOs must monitor the performance of the firm’s accounting staff more closely. Which management function applies here?

a) planning

b) organizing

c) directing

d) controlling

Answer: d

Difficulty: Hard

Learning Objective 1: LO7.1 Describe management.

Section Reference 1: What Is Management?

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

7) Why is vision important for an organization?

a) Vision allows organizations to predict the future.

b) Organizations with a clear vision of their future do less planning.

c) An organization’s vision cannot be copied.

d) Vision helps an organization direct its efforts and differentiate itself from its competitors.

Answer: d

Difficulty: Hard

Learning Objective 1: LO7.2 Explain the role of vision and ethical standards in business success.

Section Reference 1: Setting a Vision and Ethical Standards for the Firm

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

Question type: True/False

8) Taking an ethical stand can sometimes impact profits negatively.

1. True
2. False

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.2 Explain the role of vision and ethical standards in business success.

Section Reference 1: Setting a Vision and Ethical Standards for the Firm

Bloom’s Taxonomy: Comprehension

AACSB: Communication

Question type: Multiple Choice

9) The perception of marketplace needs, and the ways a firm can satisfy them, is the basis for an organization’s

a) corporate culture.

b) leadership role.

c) vision.

d) social audit.

Answer: c

Difficulty: Easy

Learning Objective 1: LO7.2 Explain the role of vision and ethical standards in business success.

Section Reference 1: Setting a Vision and Ethical Standards for the Firm

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: True/False

10) The ethical tone that a top management team establishes can reap monetary rewards only.

1. True
2. False

Answer: b

Difficulty: Hard

Learning Objective 1: LO7.2: Explain the role of vision and ethical standards in business success.

Section Reference 1: Setting a Vision and Ethical Standards for the Firm

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

Question type: Multiple Choice

11) Strategic planning determines the primary objectives of a business organization and requires the action of allocating \_\_\_\_\_\_\_\_\_.

a) people

b) resources

c) money

d) projects

Answer: b

Difficulty: Medium

Learning Objective 1: LO7.3: Summarize the major benefits of planning, and the three types of planning.

Section Reference 1: Importance of Planning

Bloom’s Taxonomy: Comprehension

AACSB: Communication

12) How does planning assist the firm?

a) Effective planning helps businesses avoid mistakes and seize opportunities.

b) Planning blends human and material resources through a formal structure.

c) Planning guides employees to accomplish objectives.

d) Planning evaluates a firm’s performance to determine whether it has met its objectives.

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.3: Summarize the major benefits of planning, and the three types of planning.

Section Reference 1: Importance of Planning

Bloom’s Taxonomy: Analysis

AACSB:Analytic

13) One of the services provided by Northwest Lawn Service is quarterly weed and feed treatments. Because of the possible danger of chemical spills, Northwest should develop a(n)

a) contingency plan.

b) marketing plan.

c) emergency plan.

d) public relations plan.

Answer: a

Difficulty: Hard

Learning Objective 1: LO7.3 Summarize the major benefits of planning, and distinguish among strategic planning, tactical planning, and operational planning.

Section Reference 1: Importance of Planning

Bloom’s Taxonomy: Application

AACSB: Analytic

14) Which type of planning has the most long-range view?

a) strategic

b) tactical

c) operational

d) contingency

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.3 Summarize the major benefits of planning and the three types if planning.

Section Reference 1: Importance of Planning

Bloom’s Taxonomy: Comprehension

AACSB: Communication

15) This planning activity below involves two components: business continuation and public communication.

a) strategic

b) tactical

c) operational

d) contingency

Answer: d

Difficulty: Easy

Learning Objective 1: LO7.3 Summarize the major benefits of planning, and the three types of planning.

Section Reference 1: Importance of Planning

Bloom’s Taxonomy: Knowledge

AACSB: Communuication

16) \_\_\_\_\_\_\_ are internal to a firm; \_\_\_\_\_\_\_ are external factors.

a) Strengths; weaknesses

b) Threats; strengths

c) Opportunities; threats

d) Weaknesses; opportunities

Answer: d

Difficulty: Medium

Learning Objective 1: LO7.4 Describe the strategic planning process.

Section Reference 1: The Strategic Planning Process

Bloom’s Taxonomy: Comprehension

AACSB: Communication

17) Competitive differentiation:

a) allows a firm to eliminate competition.

b) encourages price-fixing.

c) is the unique combination of abilities and approaches that sets a company apart.

d) creates higher costs.

Answer: c

Difficulty: Medium

Learning Objective 1: LO7.4 Describe the strategic planning process.

Section Reference 1: The Strategic Planning Process

Bloom’s Taxonomy: Knowledge

AACSB: Communication

18) Developing a company’s \_\_\_\_\_\_\_\_\_\_ can be one of the most complex and difficult aspects of strategic planning.

a) mission statement

b) vision

c) product

d) goals

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.4 Describe the strategic planning process.

Section Reference 1: The Strategic Planning Process

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

19) A frequently used tool that helps assess the firm’s current position in the marketplace is called:

a) a SWOT analysis.

b) a strategy.

c) a vision statement.

d) a mission statement.

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.4 Describe the strategic planning process.

Section Reference 1: The Strategic Planning Process

Bloom’s Taxonomy: Comprehension

AACSB: Communication

20) \_\_\_\_\_\_\_\_\_\_set guideposts by which managers define the organization’s desired performance in such areas as sales, customer service, growth, and employee satisfaction.

a) Annual plans

b) Objectives

c) Monthly goals

d) Performance reviews

Answer: b

Difficulty: Medium

Learning Objective 1: LO7.4 Describe the strategic planning process.

Section Reference 1: The Strategic Planning Process

Bloom’s Taxonomy: Knowledge

AACSB: Communication

21) Which of the following would be a non-programmed decision?

a) building a new factory

b) assigning a starting salary for a new employee

c) reordering raw materials for the production process

d) creating the weekly staffing schedule

Answer: a

Difficulty: Hard

Learning Objective 1: LO7.5 Describe the two major types of business decisions, and the steps in the decision-making process.

Section Reference 1: Managers as Decision Makers

Bloom’s Taxonomy: Application

AACSB: Communication

22) The first stage in the decision-making process is

a) evaluate alternatives.

b) recognize a problem or opportunity.

c) select and implement an alternative.

d) develop alternative courses of action.

Answer: b

Difficulty: Easy

Learning Objective 1: LO7.5 Describe the two major types of business decisions, and the steps in the decision-making process.

Section Reference 1: Managers as Decision Makers

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: True/False

23) Program decisions are made as situations arise.

1. True
2. False

Answer: False

Difficulty: Medium

Learning Objective 1: LO7.5 Describe the two major types of business decisions, and the steps in the decision-making process.

Section Reference 1: Managers as Decision Makers

Bloom’s Taxonomy: Comprehension

Question type: Multiple Choice

24) Complex and unique problems, or opportunities with important consequences, for the organization usually require \_\_\_\_\_\_\_\_\_\_\_\_\_ decisions.

a) programmed

b) policies

c) non-programmed

d) value

Answer: c

Difficulty: Hard

Learning Objective 1: LO7.5 Describe the two major types of business decisions, and the steps in the decision-making process.

Section Reference 1: Managers as Decision Makers

Blooms Taxonomy: Comprehension

AACSB: Analytic

25) Which type of leadership is best?

a) democratic

b) free-rein

c) autocratic

d) It depends on the situation.

Answer: d

Difficulty: Medium

Learning Objective 1: LO7.6 Define leadership and compare different leadership styles.

Section Reference 1: Managers as Leaders

Bloom’s Taxonomy: Comprehension

AACSB: Co9mmunication

26) \_\_\_\_\_\_\_\_\_\_\_\_ is centered on the boss.

a) Democratic leadership

b) Any type of leadership

c) Dominant leadership

d) Autocratic leadership

Answer: d

Difficulty: Medium

Learning Objective 1: LO7.6 Define leadership and compare different leadership styles.

Section Reference 1: Managers as Leaders

Bloom’s Taxonomy: Knowledge

AACSB: Analytic

Question type: True/False

27) Autocratic leaders make decisions after consulting with their employees.

1. True
2. False

Answer: False

Difficulty: Medium

Learning Objective 1: LO7.6 Define leadership and compare different leadership styles.

Section Reference 1: Managers as Leaders

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: Multiple Choice

28) \_\_\_\_\_\_ is directing or inspiring people to attain certain goals.

a) Leadership

b) Mentoring

c) Monitoring

d) Managing

Answer: a

Difficulty: Easy

Learning Objective 1: LO7.6 Define leadership and compare different leadership styles.

Section Reference 1: Managers as Leaders

Bloom’s Taxonomy: Knowledge

AACSB: Communication

29) Managers use symbols, rituals, ceremonies, and stories to reinforce

a) corporate culture.

b) affirmative action.

c) vision statement.

d) strategic plan.

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.7 Discuss the meaning and importance of corporate culture.

Section Reference 1: Corporate Culture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

30) Corporate culture is an organization’s system of principles, beliefs and \_\_\_\_\_\_\_.

a) social networks

b) people

c) values

d) policies

Answer: c

Difficulty: Easy

Learning Objective 1: LO7.7 Discuss the meaning and importance of corporate culture.

Section Reference 1: Corporate Culture

Bloom’s Taxonomy: Knowledge

AACSB: Communication

31) Which statement about corporate cultures is **not** true?

a) A corporate culture is typically shaped by the leaders in the company.

b) Corporate culture is reinforced through rituals and ceremonies.

c) Corporate cultures seldom change significantly once they are established.

d) In an organization with a strong culture, everyone knows and supports the same principles, beliefs, and values.

Answer: c

Difficulty: Hard

Learning Objective 1: LO7.7 Discuss the meaning and importance of corporate culture.

Section Reference 1: Corporate Culture

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

Question type: True/False

32) Corporate culture is typically shaped by the leaders who founded and developed the company and by those who have succeeded them.

1. True
2. False

Answer: True

Difficulty: Medium

Learning Objective 1: LO7.7 Discuss the meaning and importance of corporate culture.

Section Reference 1: Corporate Culture

Bloom’s Taxonomy: Comprehension

AACSB: Communication

Question type: Multiple Choice

33) Markor Inc. has recently experienced substantial growth in international markets. In order to better serve its new customers, Markor should consider organizing based on

a) function.

b) geography.

c) product.

d) process.

Answer: b

Difficulty: Hard

Learning Objective 1: LO7.8 Identify the five major forms of departmentalization and the four main types of organization structures.

Section Reference 1: Organizational Structures

Bloom’s Taxonomy: Application

AACSB: Analytic

34. Effective delegation requires that employees receive:

a) authority.

b) responsibility.

c) accountability.

d) both authority and responsibility.

Answer: d

Difficulty: Medium

Learning Objective 1: LO7.8 Identify the five major forms of departmentalization and the four main types of organization structures.

Section Reference 1: Organizational Structures

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

35) The oldest and simplest form of organization is:

a) a line organization.

b) the matrix organization.

c) a committee structure.

d) the line-and-staff organization.

Answer: a

Difficulty: Medium

Learning Objective 1: LO7.8 Identify the five major forms of departmentalization and the four main types of organization structures.

Section Reference 1: Organizational Structures

Bloom’s Taxonomy: Knowledge

AACSB: Communication

36) A \_\_\_\_\_\_\_\_ organization places authority and responsibility in the hands of a group of individuals rather than a single manager.

a) line

b) line-and-staff

c) committee

d) matrix

Answer: c

Difficulty: Easy

Learning Objective 1: LO7.8 Identify the five major forms of departmentalization and the four main types of organization structures.

Section Reference 1: Organizational Structures

Bloom’s Taxonomy: Knowledge

AACSB: Communication

37) In a matrix structure, each employee reports to two managers: one line manager and one \_\_\_\_\_\_\_ manager.

a) staff

b) administrative

c) group

d) project

Answer: d

Difficulty: Medium

Learning Objective 1: LO7.8 Identify the five major forms of departmentalization and the four main types of organization structures.

Section Reference 1: Organizational Structures

Bloom’s Taxonomy: Knowledge

AACSB: Communication