Package Title: Practice

Course Title: Boone, Contemporary Business, Third Canadian Edition

Chapter Number: 01

Shuffle: No

Question type: Multiple Choice

1) What is business?

a) The term business describes firms that are profitable.

b) Business consists of marketing products that people want.

c) Business consists of all profit-seeking activities that provide goods and services necessary to an economic system.

d) Business is defined as activities that produce the most good for society.

Answer: c

Difficulty: Easy

Learning Objective 1: LO1.1 Define business.

Section Reference 1: What is Business?

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: True/False

2) Not-for-profit organizations do not face any of the challenges that profit-seeking businesses do.

Answer: False

Difficulty: Medium

Learning Objective 1: LO1.1 Define business.

Section Reference 1: What is Business?

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

Question type: Multiple Choice

3) How are not-for-profit organizations different from profit-seeking businesses?

a) Not-for-profit organizations operate only in the public sector.

b) Profit-seeking organizations always have a surplus of funds; not-for-profit organizations always have a deficit of funds.

c) Not-for-profit organizations focus on goals other than generating profits.

d) Profit-seeking businesses do not focus on social or ethical responsibilities.

Answer: c

Difficulty: Medium

Learning Objective 1: LO1.1 Define business..

Section Reference 1: What is Business?

Bloom’s Taxonomy: Comprehension

AACSB: Communication

4) The Canadian Red Cross and Toronto’s Hospital for Sick Children are called

a) businesses.

b) not-for-profit organizations.

c) local philanthropic endeavours.

d) corporations.

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.1 Define business.

Section Reference 1: What is Business?

Bloom’s Taxonomy: Application

AACSB: Communication

5) Why are the four factors of production important?

a) The factors of production are regulated by the government.

b) Human resources will always be the most important factor of production.

c) Managing all four of the factors of production is critical for the successful operation of a business.

d) An economic system requires the factors of production for successful operation.

Answer: d

Difficulty: Hard

Learning Objective 1: LO1.2 Identify and describe the factors of production.

Section Reference 1: Factors of Production

Bloom’s Taxonomy: Analysis

AACSB: Communication

6) Capital includes

a) money that the firm raises for expansion.

b) employees, both current and future.

c) land, building sites, and mineral deposits.

d) technology, tools, information, and physical facilities.

Answer: d

Difficulty: Easy

Learning Objective 1: LO1.2 Identify and describe the factors of production.

Section Reference 1: Factors of Production

Bloom’s Taxonomy: Knowledge

AACSB: Communication

7) Which of the following inputs would **not** be considered a factor of production?

a) money

b) time

c) human resources

d) processes

Answer: d

Difficulty: Medium

Learning Objective 1: LO1.2 Identify and describe the factors of production.

Section Reference 1: Factors of Production

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

8) The right to \_\_\_\_\_\_\_\_ is the most basic freedom under the private enterprise system.

a) private property

b) protection

c) freedom of speech

d) information

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.3 Describe the private enterprise system.

Section Reference 1: The Private Enterprise System

Bloom’s Taxonomy: Comprehension

AACSB: Communication

9) For capitalism to operate effectively, the citizens of a private enterprise economy must have certain rights. Which of the following would **not** be considered part of the Private Enterprise System?

a) private property

b) profits

c) government assistance

d) competition

Answer: c

Difficulty: Hard

Learning Objective 1: LO1.3 Describe the private enterprise system.

Section Reference 1: The Private Enterprise System

Bloom’s Taxonomy: Analysis

AACSB: Analytic

10) Why is fair competition important in the private enterprise system?

a) Fair competition allows firms to compete in the marketplace, knowing that they won’t be subjected to excessively aggressive practices that are designed to eliminate them.

b) Fair competition requires that firms inform their competitors when prices will be reduced so that consumers will receive the lowest possible price.

c) Fair competition supports the goal of private property ownership.

d) Fair competition allows employees to choose their own employment, negotiate wages, and join labour unions.

Answer: a

Difficulty: Hard

Learning Objective 1: LO1.3 Describe the private enterprise system.

Section Reference 1: The Private Enterprise System

Bloom’s Taxonomy: Analysis

AACSB: Analytic

11) Entrepreneurship is

a) required for capital expansion.

b) the willingness to take risks.

c) not found in the private enterprise system.

d) one of the basic rights of the private enterprise system.

Answer: b

Difficulty: Easy

Learning Objective 1: LO1.3 Describe the private enterprise system.

Section Reference 1: The Private Enterprise System

Bloom’s Taxonomy: Knowledge

AACSB: Communication

12) In addition to creating jobs and selling products, entrepreneurs also are a great source of \_\_\_\_\_\_ in the economy.

a) wealth

b) innovation

c) knowledge

d) improvement

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.3 Describe the private enterprise system.

Section Reference 1: The Private Enterprise System

Bloom’s Taxonomy: Comprehension

AACSB: Communication

13) Business moved to a factory system that mass-produced items during which of the following eras?

a) The Industrial Revolution

b) The Production Era

c) The Marketing Era

d) The Relationship Era

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.4 Identify the seven eras in the history of business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Knowledge

AACSB: Communication

14) Identify the business era during which managers began to pay more attention to what consumers wanted and needed rather than simply to what the firm could produce.

a) The Industrial Revolution

b) The Production Era

c) The Marketing Era

d) The Relationship Era

Answer: c

Difficulty: Medium

Learning Objective 1: LO1.4 Identify the seven eras in the history of business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Knowledge

AACSPB: Communication

15) Which era of Canadian business is called the “golden age” because it did so much to advance the Canadian business system and increased the overall standard of living?

a) The Industrial Revolution

b) The Age of Industrial Entrepreneurs

c) The Production Era

d) The Marketing Era

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.4 Identify the seven eras in the history if business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Knowledge

AACSB: Communication

16) Consumer Orientation was developed during which era?

a) The Production Era

b) The Marketing Era

c) The Relationship Era

d) The Colonial Period

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.4 Identify the seven eras in the history of business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Knowledge

AACSB: Communication

17) How does technology support relationship management?

a) Knowledge allows companies to lower costs for customers.

b) Relationships developed through technology can substitute for improvements in product quality.

c) Knowledge allows companies to form strategic alliances.

d) Knowledge most often takes the form of communication to manage relationships with customers.

Answer: d

Difficulty: Hard

Learning Objective 1: LO1.4 Identify the seven eras in the history of business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Analysis

AACSB: Analytic

18) Which of the following is one of the biggest costs for most firms?

a) production equipment

b) office space

c) energy

d) computing infrastructure

Answer: c

Difficulty: Medium

Learning Objective 1: LO1.4 Identify the seven eras in the history of business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Comprehension

AACSB: Analytic

19) Which of the following is a major new force in business that influences consumers’ choices?

a) environmental concerns

b) health concerns

c) children’s concerns

d) safety concerns

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.4 Identify the seven eras in the history of business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Comprehension

AACSB: Communication

20) A partnership formed to create a competitive advantage for the business involved is an example of

a) branding.

b) a strategic alliance.

c) relationship management.

d) co-marketing.

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.4 Identify the seven eras in the history of business.

Section Reference 1: Seven Eras in the History of Business

Bloom’s Taxonomy: Knowledge

AACSB: Communication

21) Keeping pace with the rapid rate of change in today’s business world is essential. Which of the following is an essential resource for this?

a) low cost workforce

b) skilled and knowledgeable workforce

c) expensive equipment

d) technological capability

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.5 Explain how today’s business workforce and the nature of work itself are changing.

Section Reference 1: Today’s Business Workforce

Bloom’s Taxonomy: Knowledge

AACSB: Communication

22) Which generation was born between the years 1965 to 1981?

a) Baby Boom generation

b) Generation X

c) Generation Y

d) Echo generation

Answer: b

Difficulty: Easy

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Knowledge

AACSB: Communication

23) Which generation was born between the years 1982 to 2005?

a) Baby Boom generation

b) Generation X

c) Generation Y

d) Echo generation

Answer: c

Difficulty: Easy

Learning Objective 1: LO1.5 Explain current workforce trends in business,

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Knowledge

AACSB: Communication

24) Which of the following can enhance a firm’s chance of success?

a) a diverse workforce

b) a low cost workforce

c) a technologically advanced workforce

d) a young workforce

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Comprehension

AACSB: Communication

25) Which country has become a prime location for offshoring services?

a) China

b) India

c) Bangladesh

d) Brazil

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Knowledge

AACSB: Communication

26) Which country has become a prime location for offshoring production?

a) China

b) India

c) Bangladesh

d) Brazil

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Knowledge

AACSB: Communication

27) Outsourcing production or services near a firm’s home base is referred to as

a) offshoring.

b) contracting out.

c) nearshoring.

d) offloading.

Answer: c

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Knowledge

AACSB: Communication

Question type: True/False

28) There is a growing concern that as Baby Boomers retire the business workforce will fall short of actual needed workers.

Answer: True

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Blooms Taxonomy: Comprehension

AACSB: Communication

Question type: Multiple Choice

29) Which of the following is **not** one of the several trends challenging Canadian businesses?

a) The shrinking labour pool

b) Flexibility and mobility

c) Outsourcing and offshoring

d) A less diverse workforce

Answer: d

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Comprehension

AACSB: Communication

30) The Internet has made possible another business tool for staffing flexibility: \_\_\_\_\_\_\_\_\_\_, or using outside vendors to produce goods or fulfill services and functions that were previously handled in-house or in-country.

a) outsourcing

b) nearshoring

c) offshoring

d) partnered

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Application

AACSB: Analytic

31) Many businesses now recognize the value of a partnership with employees that encourage

a) creative thinking and problem solving.

b) rewards innovation and risk taking.

c) collaboration and team efforts.

d) all of these.

Answer: d

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Current Business Workforce Trends

Bloom’s Taxonomy: Comprehension

AACSB: Communication

32) Which of the following is true today regarding the business workforce?

a) The workforce is adequate for business despite the aging population.

b) The workforce is less independent in nature, rather more collaborative.

c) The workforce members can expect more employer loyalty to their life-long career.

d) The workforce is less mobile and less flexible.

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.5 Explain current workforce trends in business.

Section Reference 1: Today’s Business Workforce

Bloom’s Taxonomy: Comprehension

AACSB: Communication

33) Which of the following traits are needed by today’s business managers?

a) vision

b) creativity and critical thinking

c) ability to lead change

d) all of these

Answer: d

Difficulty: Medium

Learning Objective 1: LO1.6 Identify the skills and attributes managers needed for today’s manager..

Section Reference 1: Today’s Manager

Bloom’s Taxonomy: Comprehension

AACSB: Communication

34) Which of the following are the critical skills needed by today’s manager?

a) vision, critical thinking, and creativity

b) social networking, texting, and phone skills

c) bilingual, leadership, and negotiation skills

d) mediation, evaluation, and shmoozing skills

Answer: a

Difficulty: Medium

Learning Objective 1: LO1.6 Identify the skills and attributes managers needed for today’s manager..

Section Reference 1: The Today’s Manager

Blooms Taxonomy: Comprehension

AACSB: Communication

35) Which of the following is an external factor that requires organizational change?

a) production problems

b) economic trends

c) labour union demands

d) emerging employee needs

Answer: b

Difficulty: Hard

Learning Objective 1: LO1.6 Identify the skills and attributes managers needed for today’s manager.

Section Reference 1: Today’s Manager

Bloom’s Taxonomy: Application

AACSB: Analytic

36) Activities such as determining the authenticity, accuracy, and worth of information, knowledge, and arguments are part of which process?

a) analyzing

b) corporate review

c) creativity

d) critical thinking

Answer: d

Difficulty: Medium

Learning Objective 1: LO1.6 Identify the skills and attributes managers needed for today’s manager..

Section Reference 1: Today’s Manager

Bloom’s Taxonomy: Comprehension

AACSB: Communication

37) In today’s fast and ever changing business world it is important to develop novel solutions to perceived organizational problems. Which of the following best describes the term for this?

a) thinking outside the box

b) brainstorming

c) critical thinking

d) creativity

Answer: d

Difficulty: Medium

Learning Objective 1: LO1.6 Identify the skills and attributes managers needed for today’s manager.

Section Reference 1: Today’s Manager

Bloom’s Taxonomy: Comprehension

AACSB: Communication

38) \_\_\_\_\_\_\_\_\_\_\_ is an admired management philosophy that believes in contributing to the community and protecting natural resources.

a) Business Ethics

b) Green Standards

c) Social Responsibility

d) Altruistic Citizen

Answer: c

Difficulty: Medium

Learning Objective 1: LO1.7 Outline the characteristics that make a company admired.

Section Reference 1: What Makes a Company Admired?

Bloom’s Taxonomy: Comprehension

AACSB: Communication

39) \_\_\_\_\_\_\_\_\_\_\_\_ refers to the standards of conduct and moral values involving decisions made in the work environment.

a) Social Responsibility

b) Business Ethics

c) Moral Corporate Culture

d) Best Business Practices

Answer: b

Difficulty: Medium

Learning Objective 1: LO1.7 Outline the characteristics that make a company admired.

Section Reference 1: What Makes a Company Admired?

Bloom’s Taxonomy: Knowledge

AACSB: Communication

40) Which company was ranked the most admired company in 2011 by Fortune magazine?

a) Coca Cola

b) Target

c) Royal Bank

d) Apple

Answer: d

Difficulty: Easy

Learning Objective 1: LO1.7 Outline the characteristics that make a company admired.

Section Reference 1: What Makes a Company Admired?

Blooms Taxonomy: Knowledge

AACSB: Communication