

c1

Student: _____

1. Standard of living refers to the amount of goods and services people can buy with the money they have.
True False

2. Return on investment is the money gained from taking on a business.
True False

3. Profit is the amount of money a business earns above and beyond what it spends for goods services, salaries, and other expenses.
True False

4. Medium-sized enterprises employ between 50 and 500 individuals.
True False

5. Businesses that provide intangible products are in the manufacturing sector of the community.
True False

6. Businesses that provide service are said to be in the service sector of the community.
True False

7. An entrepreneur is a person who risks time and money to start and manage a business.
True False

8. The United States has long been known for having a high standard of living.
True False

9. Advances in technology have had little or no effect on businesses' ability to remain competitive.

True False

10. Global competition has affected the future employment and income level of businesses.

True False

11. Loss is when a business's revenues are more than its expenses.

True False

12. After the 1700s most people were self-sustaining and made their own clothing.

True False

13. The automotive industry is an example of an industry seeing the effects of global outsourcing.

True False

14. The business environment consists of the surrounding factors that either help or hinder the development of business.

True False

15. Businesses may be classified according to their profit motive.

True False

16. Today there are more jobs in the manufacturing sector than in the service producing sector.

True False

17. A business is any person, partnership, or corporation that seeks to provide goods/and or services to others at a profit.

True False

18. Profit is the total amount of money a business takes in during a given period by selling goods and services.

True False

19. Revenue occurs when a business's expenses are more than its revenues.

True False

20. A stakeholder is an owner of a company.

True False

21. Business provides good or services in the hopes of making a profit.

True False

22. Risk is the chance an individual organization takes of losing time and money on a business that may not prove profitable.

True False

23. Examples of service include education, health care and insurance.

True False

24. Return on investment means the money gained from taking a business venture risk.

True False

25. Productivity is the amount of output you generate given the amount of input such as hours worked.

True False

26. Effectiveness means producing goods and services using the least amount of resources.

True False

27. E-commerce is the buying and selling of goods over the Internet.

True False

28. The B2B Internet market consists of selling goods and services to customers.

True False

29. Value refers to offering your customers both high-quality products and outstanding service at competitive prices.

True False

30. Empowerment means giving frontline workers the ability to make decisions without consulting the manager.

True False

31. An important change in the global environment has been the increase in free trade among nations.

True False

32. Factors of production include land, labor, capital, entrepreneurship, and knowledge.

True False

33. Small enterprises employ less than 50 individuals and are managed on a day to day basis by the owners themselves.

True False

34. The Capitalist system is a system of government in which companies and businesses are generally owned by citizens instead of the government.

True False

35. Non-profit organizations strive for financial gains but the gains are used to finance the social or educational goals of the organization.

True False

36. More than half of all small businesses today are micro businesses.

True False

37. A(n) _____ is a person, partnership, or corporation that seeks to provide goods and services to others at a profit.

38. _____ are tangible products such as cameras, food, computers and clothing.

39. _____ is the amount of money a business earns above and beyond what it pays out for salaries and other expenses.

40. _____ are intangible products such as education, insurance and travel.

41. _____ is the total amount of money a business takes in during a given period as a result of selling its good or services.

42. _____ are the costs of purchasing the goods and services that are needed to operate business.

43. _____ is the quality and quantity of products available to people and how these goods are distributed over the population.

44. _____ are all the people who stand to gain or lose by the policies and activities of a business.

45. More than 96% of job openings in the U.S. were recently in the _____ industry.

46. Missy owns and operates her own Internet consulting firm. While she recognizes the risks involved in operating a business, she is still willing to invest her time, effort, and money in hopes of earning a profit. Missy is an example of a(n) _____.

47. _____ is assigning various functions, such as accounting, production, security, maintenance and legal work, to organizations outside of the business.

48. Historically workers have moved from rural farm labor positions to the _____ industry.

49. Workers moved to _____ industry jobs as technology and machination eliminated manufacturing jobs.

50. _____ is the reduction of barriers to trade, such as elimination of tariffs on goods brought into another country.

51. When classifying a business according to _____, the number of employees is a primary criterion.

52. _____ played a significant role in farming as it increased efficiency and reduced the number of laborers.

53. The _____ Internet market consists of selling goods and services to consumers.

54. An electronic storage file where information is kept is called a (n) _____.

55. An increase in _____ indicates that more can be produced in a given time period with the same amount of resources.

56. _____ means producing goods using the least amount of resources.

57. _____ is the buying and selling of goods over the Internet.

58. The _____ of production include land, labor, capital, entrepreneurship, and knowledge.

59. Which one of the following is NOT a means by which businesses can be classified?

- A. Size
- B. Profit motive
- C. Profit margin
- D. Sector

60. Any person, partnership or corporation that seeks to provide goods and services to others at a profit is known as a:

- A. Manager
- B. Corporation
- C. Business
- D. Service

61. The chance an individual or organization takes of losing time and money on a business that may not prove profitable is called?

- A. Loss
- B. Risk
- C. Luck
- D. Initiative

62. A _____ is a person who owns and operates his or her own business.

- A. Manager
- B. Entrepreneur
- C. Private Investor
- D. Stakeholder

63. The practice of foreign companies setting up design and production facilities in the United States, creating U.S. jobs is:
- A. Outsourcing
 - B. Insourcing
 - C. Globalization
 - D. Management prerogative
64. _____ is the amount of money a business earns above and beyond what it pays out for salaries and other expenses.
- A. Profit
 - B. Revenue
 - C. Dividends
 - D. Interest
65. Microenterprises are typically:
- A. medium-sized
 - B. employ fewer than five people
 - C. owned by a group of people
 - D. operated in large facilities
66. A business incurs a _____ if its expenses are more than its revenues.
- A. Loss
 - B. Liability
 - C. Debt
 - D. Dividend
67. The total amount of money a business takes in during a given period by selling goods and services is called:
- A. Profit
 - B. Revenue
 - C. Loss
 - D. Retained earnings
68. Which one of the following is not an element in the business environment?
- A. The economic and legal environment
 - B. The technological environment
 - C. The agricultural environment
 - D. The social environment

69. A law to protect workers as a part of the legal environment affecting business:

- A. Equal Pay Act
- B. Sherman Anti-Trust Law
- C. Uniform Commercial Code
- D. Common laws

70. To stay competitive in world markets, companies must:

- A. Provide the greatest variety of products
- B. Spend more money on marketing
- C. Focus their resources on achieving zero defects
- D. Offer both high quality products and outstanding service at competitive prices.

71. Successful organizations must now listen more closely to:

- A. Customers
- B. Managers
- C. Creditors
- D. Bureaucrats

72. Service industry businesses produce:

- A. Technology products
- B. Intangible products
- C. Tangible products
- D. Sought after products

73. _____ is the chance an individual or organization takes of losing time and money on a business that may or may not prove to be profitable.

- A. Depreciation
- B. Risk
- C. Fallibility
- D. Redundancy

74. Empowerment requires that managers focus more on _____ lower level employees.

- A. Directly supervising
- B. Training
- C. Simplifying the jobs of
- D. Controlling and correcting

75. Nearly 70% of the country's economic activity is this kind of industry:

- A. Service
- B. Manufacturing
- C. Technology
- D. Education

76. _____ can be defined as the quality and quantity of products available to people and how these goods are distributed over the population.

- A. Standard of Living
- B. Quality of life
- C. Gross national income
- D. Social satisfaction index

77. For-profit organizations are motivated to earn:

- A. Awards
- B. Profit
- C. Revenues
- D. Customers

78. Key legislation that must be enforced when operating a business includes:

- A. Licenses and permit regulations
- B. Ethics codes
- C. Property boundaries
- D. Revenue caps

79. In an ever increasing quest to produce goods at lower cost, many U.S. manufacturers have:

- A. Moved their factories where labor and materials are cheaper
- B. Sold their business and started all over
- C. Hired more employees to make more goods
- D. Raised prices to increase the value of the products

80. Government can do a lot to lessen the risk of starting a business including:

- A. Increasing business regulations
- B. Providing government ownership of businesses
- C. Allowing business people to conduct business without contracts
- D. Establishing a currency that's tradable in world markets

81. The customers, employees, stockholders, suppliers, bankers, and others who stand to gain or lose by the policies and practices of a business represent the firm's:
- A. Market makers
 - B. Economic environment
 - C. Stakeholders
 - D. Social mentors
82. Which one of the following practices of the government does NOT encourage business development?
- A. Providing tax incentives
 - B. Establishing a trade currency
 - C. Increasing tax rates for exports
 - D. Monitoring restrictions on commerce.
83. Key variables that business owners and managers must understand and monitor does not include:
- A. Unemployment rates
 - B. Inflation rates
 - C. Profit rates
 - D. Interest rates.
84. Which of the following is a service?
- A. Air travel
 - B. Groceries
 - C. A book
 - D. A computer
85. Which of the following is a service?
- A. Education
 - B. Health Care
 - C. Insurance
 - D. All of the responses are correct
86. Efficiency means:
- A. Producing the desired result
 - B. Producing goods using the least amount of resources
 - C. The amount of output you generate
 - D. The buying and selling of goods using the least amount of resources

87. _____ refers to the amount of output you generate given the amount of input.

- A. Efficiency
- B. Technology
- C. Telecommuting
- D. Productivity

88. An electronic storage file where firms keep customer information is known as a(n):

- A. MP3 file
- B. Management information system
- C. Database
- D. Email server

89. Diversity has come to mean more than recruiting and keeping minorities and women. Diversity groups also include:

- A. The disabled, homosexuals, atheists, introverts, extroverts and the devout
- B. Only the disabled along with minorities and women
- C. Only the disabled, homosexuals, minorities and women
- D. Only homosexuals along with minorities and women

90. Currently, the richest group in the United States consists of people between the ages of:

- A. 25 and 34
- B. 35 and 44
- C. 45 and 64

91. Norman is a salesperson for Bi-Rite. He really appreciates the amount of freedom and authority Bi-Rite gives its sales people in order to better meet the needs of customers. Norman's experience suggests that Bi-Rite practices:

- A. Centralized management
- B. Fast response theory
- C. Enfranchisement
- D. Empowerment

92. The factors of production include which of the following?

- A. Entrepreneurship
- B. Knowledge
- C. Land
- D. All of the responses are correct

93. Explain how effectiveness, efficiency and productivity are connected.

94. What is meant by value?

95. How is diversity dealt with in business?

96. What is free trade and what impacts it?

97. What are two ways to succeed in business?

98. Define profit, revenue and loss and explain the relationship between them.

99. Define risk and reward and explain the relationship between them.

100. Explain what a stakeholder is. Identify the different types of stakeholders.

101. List the five elements of the business environment.

c1 Key

1. (p. 4) Standard of living refers to the amount of goods and services people can buy with the money they have.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #1

2. (p. 2) Return on investment is the money gained from taking on a business.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #2

3. (p. 3) Profit is the amount of money a business earns above and beyond what it spends for goods services, salaries, and other expenses.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #3

4. (p. 9) Medium-sized enterprises employ between 50 and 500 individuals.

TRUE

Blooms: Comprehension

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #4

5. (p. 9) Businesses that provide intangible products are in the manufacturing sector of the community.

FALSE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #5

6. (p. 2) Businesses that provide service are said to be in the service sector of the community.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #6

7. (p. 2) An entrepreneur is a person who risks time and money to start and manage a business.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #7

8. (p. 4) The United States has long been known for having a high standard of living.

TRUE

Blooms: Analysis

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #8

9. (p. 5) Advances in technology have had little or no effect on businesses' ability to remain competitive.

FALSE

Blooms: Analysis

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #9

10. (p. 5) Global competition has affected the future employment and income level of businesses.

TRUE

Blooms: Analysis

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #10

11. (p. 3) Loss is when a business's revenues are more than its expenses.

FALSE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #11

12. (p. 5) After the 1700s most people were self-sustaining and made their own clothing.

FALSE

Blooms: Application

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #12

13. (p. 6) The automotive industry is an example of an industry seeing the effects of global outsourcing.

TRUE

Blooms: Analysis

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #13

14. (p. 11) The business environment consists of the surrounding factors that either help or hinder the development of business.

TRUE

Blooms: Application

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #14

15. (p. 10) Businesses may be classified according to their profit motive.

TRUE

Blooms: Comprehension

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #15

16. (p. 9) Today there are more jobs in the manufacturing sector than in the service producing sector.

FALSE

Blooms: Analysis

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #16

17. (p. 2) A business is any person, partnership, or corporation that seeks to provide goods/and or services to others at a profit.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #17

18. (p. 3) Profit is the total amount of money a business takes in during a given period by selling goods and services.

FALSE

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #18

19. (p. 3) Revenue occurs when a business's expenses are more than its revenues.

FALSE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #19

20. (p. 10) A stakeholder is an owner of a company.

FALSE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #20

21. (p. 2) Business provides good or services in the hopes of making a profit.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #21

22. (p. 4) Risk is the chance an individual organization takes of losing time and money on a business that may not prove profitable.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #22

23. (p. 2) Examples of service include education, health care and insurance.

TRUE

Blooms: Application

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #23

24. (p. 2) Return on investment means the money gained from taking a business venture risk.

TRUE

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #24

25. (p. 14) Productivity is the amount of output you generate given the amount of input such as hours worked.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #25

26. (p. 14) Effectiveness means producing goods and services using the least amount of resources.

FALSE

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #26

27. (p. 15) E-commerce is the buying and selling of goods over the Internet.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #27

28. (p. 15) The B2B Internet market consists of selling goods and services to customers.

FALSE

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #28

29. (p. 16) Value refers to offering your customers both high-quality products and outstanding service at competitive prices.

TRUE

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #29

30. (p. 17) Empowerment means giving frontline workers the ability to make decisions without consulting the manager.

TRUE

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #30

31. (p. 19) An important change in the global environment has been the increase in free trade among nations.

TRUE

Blooms: Analysis

Difficulty: Easy

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #31

32. (p. 24) Factors of production include land, labor, capital, entrepreneurship, and knowledge.

TRUE

Blooms: Application

Difficulty: Medium

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #32

33. (p. 9) Small enterprises employ less than 50 individuals and are managed on a day to day basis by the owners themselves.

TRUE

Blooms: Comprehension

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #33

34. (p. 14) The Capitalist system is a system of government in which companies and businesses are generally owned by citizens instead of the government.

TRUE

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #34

35. (p. 10) Non-profit organizations strive for financial gains but the gains are used to finance the social or educational goals of the organization.

TRUE

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #35

36. (p. 9) More than half of all small businesses today are micro businesses.

TRUE

Blooms: Analysis

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #36

37. (p. 2) A(n) _____ is a person, partnership, or corporation that seeks to provide goods and services to others at a profit.

business

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #37

38. (p. 2) _____ are tangible products such as cameras, food, computers and clothing.

Goods

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #38

39. (p. 3) _____ is the amount of money a business earns above and beyond what it pays out for salaries and other expenses.

Profit

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #39

40. (p. 2) _____ are intangible products such as education, insurance and travel.

Services

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #40

41. (p. 3) _____ is the total amount of money a business takes in during a given period as a result of selling its good or services.

Revenue

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #41

42. (p. 3) _____ are the costs of purchasing the goods and services that are needed to operate business.

Expenses

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #42

43. (p. 4) _____ is the quality and quantity of products available to people and how these goods are distributed over the population.

Standard of living

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #43

44. (p. 10) _____ are all the people who stand to gain or lose by the policies and activities of a business.

Stakeholders

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #44

45. (p. 10) More than 96% of job openings in the U.S. were recently in the _____ industry.

service

Blooms: Comprehension

Difficulty: Hard

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #45

46. (p. 23) Missy owns and operates her own Internet consulting firm. While she recognizes the risks involved in operating a business, she is still willing to invest her time, effort, and money in hopes of earning a profit. Missy is an example of a(n) _____.

Entrepreneur

Blooms: Application

Difficulty: Hard

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #46

47. (p. 6) _____ is assigning various functions, such as accounting, production, security, maintenance and legal work, to organizations outside of the business.

Outsourcing

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #47

48. (p. 6) Historically workers have moved from rural farm labor positions to the _____ industry.

manufacturing

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #48

49. (p. 6) Workers moved to _____ industry jobs as technology and machination eliminated manufacturing jobs.

service

Blooms: Analysis

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #49

50. (p. 19) _____ is the reduction of barriers to trade, such as elimination of tariffs on goods brought into another country.

Free trade

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #50

51. (p. 9) When classifying a business according to _____, the number of employees is a primary criterion.

size

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #51

52. (p. 6) _____ played a significant role in farming as it increased efficiency and reduced the number of laborers.

Technology

Blooms: Analysis

Difficulty: Hard

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #52

53. (p. 15) The _____ Internet market consists of selling goods and services to consumers.

B2C

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #53

54. (p. 15) An electronic storage file where information is kept is called a (n) _____.

database

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #54

55. (p. 14) An increase in _____ indicates that more can be produced in a given time period with the same amount of resources.

productivity

Blooms: Application

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #55

56. (p. 14) _____ means producing goods using the least amount of resources.

Efficiency

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #56

57. (p. 15) _____ is the buying and selling of goods over the Internet.

E-commerce

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #57

58. (p. 24) The _____ of production include land, labor, capital, entrepreneurship, and knowledge.

factors

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #58

59. (p. 8) Which one of the following is NOT a means by which businesses can be classified?

- A. Size
- B. Profit motive
- C. Profit margin**
- D. Sector

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #59

60. (p. 2) Any person, partnership or corporation that seeks to provide goods and services to others at a profit is known as a:

- A. Manager
- B. Corporation
- C. Business**
- D. Service

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #60

61. (p. 4) The chance an individual or organization takes of losing time and money on a business that may not prove profitable is called?

- A. Loss
- B. Risk**
- C. Luck
- D. Initiative

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #61

62. (p. 2) A _____ is a person who owns and operates his or her own business.

- A. Manager
- B. Entrepreneur**
- C. Private Investor
- D. Stakeholder

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #62

63. (p. 7) The practice of foreign companies setting up design and production facilities in the United States, creating U.S. jobs is:

- A. Outsourcing
- B. Insourcing**
- C. Globalization
- D. Management prerogative

Blooms: Application

Difficulty: Medium

Learning Outcome: Explain the evolution of business in the United States.

Shah - Chapter 001 #63

64. (p. 3) _____ is the amount of money a business earns above and beyond what it pays out for salaries and other expenses.

- A.** Profit
- B. Revenue
- C. Dividends
- D. Interest

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #64

65. (p. 9) Microenterprises are typically:

- A. medium-sized
- B.** employ fewer than five people
- C. owned by a group of people
- D. operated in large facilities

Blooms: Application

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #65

66. (p. 3) A business incurs a _____ if its expenses are more than its revenues.

- A.** Loss
- B. Liability
- C. Debt
- D. Dividend

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #66

67. (p. 3) The total amount of money a business takes in during a given period by selling goods and services is called:

- A. Profit
- B.** Revenue
- C. Loss
- D. Retained earnings

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #67

68. (p. 11) Which one of the following is not an element in the business environment?

- A. The economic and legal environment
- B. The technological environment
- C. The agricultural environment**
- D. The social environment

The five elements in the business environment are economic and legal, technological, social, competitive, and global environments.

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #68

69. (p. 12) A law to protect workers as a part of the legal environment affecting business:

- A. Equal Pay Act**
- B. Sherman Anti-Trust Law
- C. Uniform Commercial Code
- D. Common laws

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #69

70. (p. 16) To stay competitive in world markets, companies must:

- A. Provide the greatest variety of products
- B. Spend more money on marketing
- C. Focus their resources on achieving zero defects
- D. Offer both high quality products and outstanding service at competitive prices.**

Blooms: Application

Difficulty: Medium

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #70

71. (p. 16) Successful organizations must now listen more closely to:

- A. Customers**
- B. Managers
- C. Creditors
- D. Bureaucrats

Blooms: Application

Difficulty: Medium

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #71

72. (p. 8) Service industry businesses produce:

- A. Technology products
- B. Intangible products**
- C. Tangible products
- D. Sought after products

Service industry businesses produce intangible products such as education, insurance and travel.

Blooms: Comprehension

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #72

73. (p. 4) _____ is the chance an individual or organization takes of losing time and money on a business that may or may not prove to be profitable.

- A. Depreciation
- B. Risk**
- C. Fallibility
- D. Redundancy

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #73

74. (p. 17) Empowerment requires that managers focus more on _____ lower level employees.

- A. Directly supervising
- B. Training**
- C. Simplifying the jobs of
- D. Controlling and correcting

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #74

75. (p. 7) Nearly 70% of the country's economic activity is this kind of industry:

- A. Service**
- B. Manufacturing
- C. Technology
- D. Education

Blooms: Analysis

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #75

76. (p. 4) _____ can be defined as the quality and quantity of products available to people and how these goods are distributed over the population.

- A.** Standard of Living
- B. Quality of life
- C. Gross national income
- D. Social satisfaction index

Blooms: Knowledge

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #76

77. (p. 10) For-profit organizations are motivated to earn:

- A. Awards
- B.** Profit
- C. Revenues
- D. Customers

Blooms: Application

Difficulty: Medium

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #77

78. (p. 12) Key legislation that must be enforced when operating a business includes:

- A.** Licenses and permit regulations
- B. Ethics codes
- C. Property boundaries
- D. Revenue caps

Blooms: Comprehension

Difficulty: Hard

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #78

79. (p. 6) In an ever increasing quest to produce goods at lower cost, many U.S. manufacturers have:

- A.** Moved their factories where labor and materials are cheaper
- B. Sold their business and started all over
- C. Hired more employees to make more goods
- D. Raised prices to increase the value of the products

Blooms: Application

Difficulty: Hard

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #79

80. (p. 11) Government can do a lot to lessen the risk of starting a business including:

- A. Increasing business regulations
- B. Providing government ownership of businesses
- C. Allowing business people to conduct business without contracts
- D.** Establishing a currency that's tradable in world markets

Blooms: Application

Difficulty: Hard

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #80

81. (p. 22) The customers, employees, stockholders, suppliers, bankers, and others who stand to gain or lose by the policies and practices of a business represent the firm's:

- A. Market makers
- B. Economic environment
- C.** Stakeholders
- D. Social mentors

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #81

82. (p. 12) Which one of the following practices of the government does NOT encourage business development?

- A. Providing tax incentives
- B. Establishing a trade currency
- C.** Increasing tax rates for exports
- D. Monitoring restrictions on commerce.

Blooms: Application

Difficulty: Medium

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #82

83. (p. 12) Key variables that business owners and managers must understand and monitor does not include:

- A. Unemployment rates
- B. Inflation rates
- C.** Profit rates
- D. Interest rates.

Blooms: Application

Difficulty: Hard

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #83

84. (p. 2) Which of the following is a service?

- A.** Air travel
- B. Groceries
- C. A book
- D. A computer

Blooms: Comprehension

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #84

85. (p. 2) Which of the following is a service?

- A. Education
- B. Health Care
- C. Insurance
- D.** All of the responses are correct

Blooms: Comprehension

Difficulty: Easy

Learning Outcome: Describe different classifications of business.

Shah - Chapter 001 #85

86. (p. 14) Efficiency means:

- A. Producing the desired result
- B.** Producing goods using the least amount of resources
- C. The amount of output you generate
- D. The buying and selling of goods using the least amount of resources

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #86

87. (p. 14) _____ refers to the amount of output you generate given the amount of input.

- A. Efficiency
- B. Technology
- C. Telecommuting
- D.** Productivity

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #87

88. (p. 15) An electronic storage file where firms keep customer information is known as a(n):

- A. MP3 file
- B. Management information system
- C. Database**
- D. Email server

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #88

89. (p. 18) Diversity has come to mean more than recruiting and keeping minorities and women. Diversity groups also include:

- A. The disabled, homosexuals, atheists, introverts, extroverts and the devout**
- B. Only the disabled along with minorities and women
- C. Only the disabled, homosexuals, minorities and women
- D. Only homosexuals along with minorities and women

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #89

90. (p. 18) Currently, the richest group in the United States consists of people between the ages of:

- A. 25 and 34
- B. 35 and 44
- C. 45 and 64**

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #90

91. (p. 17) Norman is a salesperson for Bi-Rite. He really appreciates the amount of freedom and authority Bi-Rite gives its sales people in order to better meet the needs of customers. Norman's experience suggests that Bi-Rite practices:

- A. Centralized management
- B. Fast response theory
- C. Enfranchisement
- D. Empowerment**

Blooms: Application

Difficulty: Hard

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #91

92. (p. 24) The factors of production include which of the following?

- A. Entrepreneurship
- B. Knowledge
- C. Land
- D. All of the responses are correct**

Blooms: Application

Difficulty: Medium

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #92

93. (p. 14) Explain how effectiveness, efficiency and productivity are connected.

Effectiveness is producing the desired result and efficiency is the production of goods with the least amount of resources. The more you can produce in any given period the more valuable you are to your customers. Technology increases efficiency and the result is greater productivity and effectiveness.

Blooms: Comprehension

Difficulty: Hard

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #93

94. (p. 16) What is meant by value?

Production of high quality products along with outstanding customer service at the most competitive prices leads to value. A business person who is aware of competitive changes and meets and exceeds in terms of product quality and prices will deliver the sought after valued product or service.

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #94

95. (p. 17) How is diversity dealt with in business?

Dealing with employees from many varied cultures in today's globalized market is crucial to managers. The changes in manpower have led businesses to better serve customers with a diverse workforce. And diversity within a business brings fresh ideas and perspectives to the workplace.

Blooms: Comprehension

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #95

96. (p. 19) What is free trade and what impacts it?

Free trade is the movement of goods and services among nations without political or economic barriers. The elimination of taxes and tariffs on imported goods has led to globalization.

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #96

97. (p. 23) What are two ways to succeed in business?

There are two ways to succeed in business today. One way is to work for others, gaining experience, growing in the field and rising within the ranks. A second way is to become an entrepreneur and start your own business. There is risk involved but the entrepreneur who takes that chance can later reap the benefits.

Blooms: Application

Difficulty: Easy

Learning Outcome: Understand your options in the world of business in the future.

Shah - Chapter 001 #97

98. (p. 3) Define profit, revenue and loss and explain the relationship between them.

Profit is the amount of money a business earns above and beyond what it pays out for salaries and other expenses. Revenue is the total amount of money a business takes in during a given period by selling goods and services. A loss occurs when a business's expenses are more than its revenues. Revenue minus expenses equals profit.

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #98

99. (p. 4) Define risk and reward and explain the relationship between them.

Risk is the chance an entrepreneur takes of losing time and money on a business that may or may not prove profitable. Even among companies that do make a profit, not all make the same amount. Those companies that take the most risk may make the most profit. The more risks you take, the higher the rewards may be.

Blooms: Comprehension

Difficulty: Medium

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #99

100. (p. 22) Explain what a stakeholder is. Identify the different types of stakeholders.

Stakeholders are all the people who stand to gain or lose by the policies and activities of a business. Stakeholders include customers, employees, stockholders, suppliers, bankers, people in general in the surrounding community and elected government leaders among others. All of these groups are affected by the products, policies, and practices of business and their concerns need to be addressed.

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Define and explain business and its basic terms.

Shah - Chapter 001 #100

101. (p. 11) List the five elements of the business environment.

Economic and Legal environment, technological environment, competitive environment, social environment, global environment

Blooms: Knowledge

Difficulty: Easy

Learning Outcome: Describe the five elements of the business environment.

Shah - Chapter 001 #101

c1 Summary

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