

Name: _____ Class: _____ Date: _____

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1. During the production era, managers focused mostly on customer satisfaction and not on production efficiency.

- a. True
- b. False

ANSWER: False

2. Demographic factors include the milestones achieved during the developments in the field of computers, telecommunications, and other digital products.

- a. True
- b. False

ANSWER: False

3. In the context of making a career choice, following one's passion guarantees a fat paycheck.

- a. True
- b. False

ANSWER: False

4. The significance of the social dimension of a business environment is highlighted when a number of states—from Alabama to Nevada—make their local economies more appealing by providing special tax deals to attract new firms.

- a. True
- b. False

ANSWER: False

5. In the U.S., nonprofits employ about one in hundred workers, accounting for less paid workers than the entire construction industry and less than the finance, insurance, and real-estate sectors combined.

- a. True
- b. False

ANSWER: False

6. Value is the relationship between the price of a good or a service and the benefits that it offers its customers.

- a. True
- b. False

ANSWER: True

7. Online technology prevents leading-edge companies from offering customized products at prices that are comparable to standardized products.

- a. True
- b. False

ANSWER: False

8. In the context of your career choice, the broader economy will influence the level of your personal financial success.

- a. True
- b. False

ANSWER: True

9. Speed-to-market is the rate at which a company's competitors copy its product innovations.

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- a. True
- b. False

ANSWER: False

10. In the context of your career choice, your own business skills cannot influence the level of your personal financial success.

- a. True
- b. False

ANSWER: False

11. Capital, one of the factors of production, includes machines, tools, buildings, information, and technology.

- a. True
- b. False

ANSWER: True

12. The value of all natural resources tends to rise with low demand, high supply, or both.

- a. True
- b. False

ANSWER: False

13. In the context of the history of American business, the industrial revolution era encouraged workers to take individual ownership and personal pride in the production process.

- a. True
- b. False

ANSWER: False

14. People can create natural resources by growing and harvesting agricultural products.

- a. True
- b. False

ANSWER: False

15. In the context of the competitive environment dimension of a business, a product has value when its benefits to the customer are lesser than the price that the customer pays.

- a. True
- b. False

ANSWER: False

16. Russia and China are both rich in natural resources and human resources, and both countries have a solid level of capital. Yet, neither country is wealthy. The missing ingredient seems to be_____.

- a. synthetic resources
- b. taxable income
- c. workforce
- d. entrepreneurship

ANSWER: d

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17. Buba Joe's Pizzeria, a fast food chain, wants to expand its customer base. It introduced a new range of vegan pizzas to cater specifically to the vegan market. It also introduced new flavors to cater especially to Hispanic Americans. In this context, which dimension of the business environment is affected the most?

- a. The social environment
- b. The ethical environment
- c. The technological environment
- d. The political environment

ANSWER: a

18. In the context of the history of American business, which of the following statements is true of the industrial revolution?

- a. Firms aimed at building long-term relationships with their customers.
- b. There was a loss of personal pride in the production process.
- c. Production efficiency was at its lowest.
- d. There was a creation of individual ownership in the production process.

ANSWER: b

19. Which of the following statements is true of the economic environment of a business?

- a. It is affected by customer satisfaction.
- b. It reduces the hassles associated with acquiring manpower.
- c. It is affected by corruption.
- d. It prevents customers from turning into loyal advocates.

ANSWER: c

20. In the context of the history of American business, the _____ emerged in the second half of the 1800s, by building on the foundation of the industrial revolution.

- a. entrepreneurship era
- b. relationship era
- c. marketing era
- d. production era

ANSWER: a

21. Which of the following can be considered a business?

- a. Albertos, a state-funded firm that specializes in providing free consultations for at-risk teens
- b. Mender, a private charity organization that donates clothes and notebooks to orphans
- c. Davent, an online shopping portal that offers discounted prices on clothes
- d. Javonson, a federal agency that establishes and enforces environmental regulations

ANSWER: c

22. Twilight Glitters sells ornate diamond jewelry. The company obtains diamond ore from the Yakutia region of Russia. In this scenario, the ore obtained by Twilight Glitters can be classified as _____.

- a. human resources
- b. capital resources
- c. natural resources
- d. man-made resources

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ANSWER: c

23. Spearhead Flight Academy uses flight simulation games to train its students in the basics of aviation. It uses these games to make its students more effective and efficient. In addition, it also offers six months of flight training. In this context, which of the following dimensions of the business environment is affected the most?

- a. The global environment
- b. The economic environment
- c. The social environment
- d. The technological environment

ANSWER: d

24. Lewis Gretsz, the owner of a small railroad company in the 1860s, started gaining more influence and money as his business started to flourish to a point where he began controlling the entire northern half of railroad services. He followed a ruthless and cunning business strategy that involved exploiting workers and decimating the environment. In the context of the history of American business, Lewis Gretsz most likely belonged to the _____.

- a. entrepreneurship era
- b. production era
- c. marketing era
- d. relationship era

ANSWER: a

25. Meria Het, a footwear company, designs formal and casual footwear for White American women. However, to increase its customer base, it introduces a line of footwear for Chinese women in the United States, even though they form only a small market in the country. Which of the following dimensions of the social environment does this scenario exemplify?

- a. Social responsibility
- b. Age
- c. Ethics
- d. Diversity

ANSWER: d

26. Vertibram, a packaged food company, solely manufactured food products that catered specifically to the Islamic community in the United States. However, after facing a stagnation in its sales, the company started manufacturing other products that contained pork to cater to the whole community. Which of the following dimensions of the social environment does this scenario exemplify?

- a. Ethics
- b. Age
- c. Diversity
- d. Social responsibility

ANSWER: c

27. High taxation, excess regulation, and limited choices in a business environment are likely to result in:

- a. a decrease in entrepreneurial activities.
- b. an increase in the level of personal freedom.
- c. an increase in global trading.

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d. a social crisis.

ANSWER: a

28. Chargon Flasks, a restaurant specializing in Asian cuisine, focuses solely on customer satisfaction. It allows patrons to customize the quantity of their meals and only charges them half the price if their meal is unsatisfactory. The restaurant also has a voluntary service charge policy. In this context, which dimension of the business environment is affected the most?

- a. The global environment
- b. The political environment
- c. The technological environment
- d. The competitive environment

ANSWER: d

29. Ricord Books, a publication house, faced huge losses after 2008. The majority of its readers were born during the late 1950s, whose population was rapidly declining. Most modern readers preferred using e-books rather than reading from hard copies. This resulted in a decrease in the sales of Ricord Books. Identify the dimension of the social environment that this scenario exemplifies.

- a. Ethical policy
- b. Social responsibility
- c. Diverse workforce
- d. Aging population

ANSWER: d

30. Roggenok, a textile company, owns 15 factories that produce clothing materials. The company has 1500 employees working in shifts. In this scenario, the factories owned by Roggenok can be classified as _____.

- a. equity
- b. human resources
- c. capital
- d. natural resources

ANSWER: c

31. Barter Bate, a wholesale store chain, was the first in the city to launch an online shopping website. Its website allowed customers to select required products and collect them from the nearest Barter Bate outlet. In this context, which of the following dimensions of the business environment is affected the most?

- a. The ethical environment
- b. The social environment
- c. The technological environment
- d. The global environment

ANSWER: c

32. Vertivius, a gaming device manufacturer, entered the gaming market only after conducting a thorough survey of the potential customer base. Vertivius waited for five years before introducing its unique product—the first handheld gaming device—in the market. It introduced this product after ensuring that it would be embraced by the customers. In this scenario, Vertivius:

- a. has a high speed-to-market.
- b. is a leading-edge firm.

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- c. uses the concept of fast-laning.
- d. is a bleeding-edge firm.

ANSWER: b

33. Preston, a luthier, used to own a workshop in the 1750s where he produced handmade musical instruments of high quality. However, due to technological advancements, musical instruments started being mass produced in factories, and Preston's business began to decline. Given this information, it can be assumed that Preston belonged to the _____.

- a. relationship era
- b. production era
- c. digital revolution era
- d. industrial revolution era

ANSWER: d

34. Richard is a technical analyst at a marketing firm. He is highly regarded by his peers and supervisors who always seek his advice while making important decisions for the company. In this scenario, Richard can be classified as a(n) _____.

- a. capital good
- b. human resource
- c. entrepreneur
- d. natural resource

ANSWER: b

35. Restazure, a beauty therapy center, focuses on customer satisfaction and building long-term relationships with customers. The firm ensures that customers are provided with high-quality services, and feedback is collected after every customer visit. It also provides its members with seasonal discounts and points every time they avail any of the center's services. In this context, which dimension of the business environment is affected the most?

- a. The political environment
- b. The technological environment
- c. The competitive environment
- d. The global environment

ANSWER: c

36. Western Transit Bank has 150 automated teller machines (ATMs) across the country. Customers can use these machines to withdraw money, deposit money in their bank accounts, check their account balance, and transfer money to other accounts. These machines enable Western Transit Bank to carry out some of its operations smoothly. In the given scenario, the ATMs of Western Transit Bank can be classified as _____.

- a. natural resources
- b. capital
- c. human resources
- d. equity

ANSWER: b

37. A coal mining company has employed around 250 miners who work 8-hour shifts every day. In the context of factors of production, the miners can be classified as _____.

- a. capital
- b. natural resources

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- c. entrepreneurs
- d. human resources

ANSWER: d

38. In the context of the technological environment of a business, which of the following statements is true of e-commerce?

- a. Connecting a business's digital networks with its suppliers results in an inefficient flow of goods.
- b. It has eliminated the individualized buying experience for consumers.
- c. Business-to-business selling comprises the vast majority of total e-commerce sales.
- d. It excludes the provision of consultation services through websites or online portals.

ANSWER: c

39. In the context of the history of American business, during the _____, jobs became more specialized, increasing productivity and lowering costs and prices.

- a. entrepreneurship era
- b. production era
- c. marketing era
- d. relationship era

ANSWER: b

40. Temont Esson, a pharmaceutical company, saw a drastic increase in its sales in 2016 when compared to 2015. A survey showed that the growing percentage of the elderly was directly responsible for improving the company's sales. Identify the dimension of the social environment that this scenario exemplifies.

- a. Aging population
- b. Diverse workforce
- c. Social responsibility
- d. Ethical policy

ANSWER: a

41. Niconti Inc. sells premium quality tea leaves. The company owns 400 acres of land on which it has established a large tea plantation with a tea processing factory. In this scenario, the land owned by Niconti Inc. can be classified as _____.

- a. man-made resources
- b. capital resources
- c. human resources
- d. natural resources

ANSWER: d

42. A college has contracted a construction company to build a bookstore for its new campus. The heavy machinery and equipment used by the contractor in the construction process are _____.

- a. entrepreneurial resources
- b. human resources
- c. natural resources
- d. capital resources

ANSWER: d

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43. Pride of Peers is a bakery chain that specializes in preparing homemade confectionaries. The company donates most of its earnings to rehabilitation centers for war victims and keeps just enough to buy raw materials. The primary goal of the company is to contribute to the rehabilitation of war victims. In this scenario, Pride of Peers would most likely be classified as a _____.

- a. political organization
- b. paper organization
- c. nonprofit organization
- d. corporation

ANSWER: c

44. Leading-edge companies have focused on customer satisfaction, with a goal to develop long-term, mutually beneficial relationships with customers. Which of the following dimensions of a business environment does this illustrate?

- a. The economic environment
- b. The global environment
- c. The social environment
- d. The competitive environment

ANSWER: d

45. Raebin Xi, a stock management firm, implemented a new rule that allows its clients to have better clarity and knowledge about the firm's core functions and methods of operation. Identify the dimension of the social environment that this scenario exemplifies.

- a. Age
- b. Income
- c. Ethics
- d. Diversity

ANSWER: c

46. In the context of factors of production, which of the following statements is true of entrepreneurs?

- a. They are people who write and establish government policies.
- b. They avoid taking the risk of launching and operating their own businesses.
- c. They thrive in an environment that supports economic freedom.
- d. They are rarely motivated by any profit incentive to run a business.

ANSWER: c

47. Marina, a garments manufacturing company, signed a contract with Tertch Tex, a textile company, to receive 2 million pounds of yarn at a rate of \$2 per pound. However, Tertch Tex hikes up the price to \$5 per pound just before the day of delivery. Marina files a lawsuit against Tertch Tex for breaking an enforceable contract and receives \$100 million in compensation. In this context, which dimension of the business environment is affected the most?

- a. The economic environment
- b. The technological environment
- c. The social environment
- d. The political environment

ANSWER: a

48. Operth, an automobile company, hires people from various cultural and social backgrounds. This allows the company

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to enjoy a competitive advantage by developing innovative products that serve a wide customer base. Which of the following dimensions of the social environment does this scenario exemplify?

- a. Ethics
- b. Social responsibility
- c. Diversity
- d. Age

ANSWER: c

49. A small-scale consulting firm in Hawaii was struggling financially because it was unable to generate enough capital to run its business transactions. To generate capital, the firm decided to use web technologies and digital resources to build long-term associations with current customers and to reach out to new customers. In this scenario, the firm is using concepts that primarily originated in the _____ of American business history.

- a. entrepreneurship era
- b. relationship era
- c. production era
- d. industrial era

ANSWER: b

50. Welterwes, a multinational company, has 15 members in its top management. These executives have to abide by the same company policies as the other employees. However, when it came to light that the executives were not following the appropriate office timings and were abusing their power, the HR department had to pass new policies aimed specifically at the top management. These policies stated that the executives would lose a part of their monthly commission if they failed to abide by the company policies. Identify the dimension of the social environment that this scenario exemplifies.

- a. Ethics
- b. Income
- c. Age
- d. Diversity

ANSWER: a

51. Debbie, along with Mick and Rory, decided to start a new catering business. She invested her time, money, and efforts in the project, and she directly managed the business development process. In this scenario, Debbie is most likely a(n) _____.

- a. franchisor
- b. entrepreneur
- c. client
- d. fundraiser

ANSWER: b

52. Melvin and Neil run a pawnshop in their neighborhood. They offer loans to individuals in exchange for personal items of higher or equal value, which are used as collateral. If an individual is unable to repay the loan, Melvin and Neil then sell these items at higher rates. In this scenario, Melvin and Neil's pawnshop is an example of a _____.

- a. subsidy
- b. non-profit organization
- c. business
- d. charity

ANSWER: c

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53. In the context of the history of American business, which of the following statements is true of the entrepreneurship era?

- a. Industrial titans exploited workers and decimated the environment.
- b. Large-scale entrepreneurs failed to dominate their markets.
- c. The overall standard of living across the country declined rapidly.
- d. The balance of power shifted from producers and toward consumers.

ANSWER: a

54. Norman Phone Inc. is a leading cell phone manufacturer who recently launched Omn-1 model. Even before the sales of Omn-1 model could reach its peak, the company launched the next version, Omn-2. Omn-2 overtook the sales of the Omn-1 model and also of its competitors' products. This helped Norman Phone Inc. to maintain its position as a leading-edge cell phone manufacturer. This scenario demonstrates the importance of _____ as a key source of competitive advantage.

- a. speed-to-market
- b. power-to-cost
- c. event chain methodology
- d. elemental cost planning

ANSWER: a

55. Judith plans to start a prosthetic company to help physically challenged people avail prosthetics at affordable prices. She researches and develops a cost-effective way of crafting durable prosthetics. In the context of factors of production, the given scenario exemplifies the concept of _____.

- a. capital creation
- b. deployment
- c. situational analysis
- d. entrepreneurship

ANSWER: d

56. Menoth, a recreational resort for the elderly, saw a sharp increase in its customers in the last decade compared to the period between 1996 and 2006. This was because 65% of working individuals retired in the last decade. Identify the dimension of the social environment that this scenario exemplifies.

- a. Ethical policy
- b. Social responsibility
- c. Aging population
- d. Diverse workforce

ANSWER: c

57. Rayman Automobiles, an automobile manufacturing company, was founded in 1912. The company primarily focused on creating greater efficiencies by refining its processes and creating specialized jobs. This allowed the company to increase its output and lower the prices of its products. As a result, automobiles became an affordable commodity. In the context of the history of American business, Rayman Automobiles was most likely founded during the _____.

- a. digital information era
- b. entrepreneurship era
- c. marketing era
- d. production era

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ANSWER: d

58. Moat & Meet, a travel agency, wants to widen its customer base. It adopts a strategy that allows customers to visit their favorite destinations through a virtual reality (VR) machine before visiting the place in person. In this context, which dimension of the business environment is affected the most?

- a. The social environment
- b. The technological environment
- c. The political environment
- d. The global environment

ANSWER: b

59. Lint Port, an apparel company, offers personalized customer service in all its stores and engages in post-purchase communication to take feedback from its customers. It also gives gift vouchers with customized messages to its customers on their birthdays. The company values the importance of building long-term customer relationships. In this context, which dimension of the business environment is affected the most?

- a. The competitive environment
- b. The legal environment
- c. The technological environment
- d. The political environment

ANSWER: a

60. In the context of factors of production, the synthetic resources that a business needs to produce goods or services are referred to as _____.

- a. nonprofits
- b. the hard sell
- c. capital
- d. depositories

ANSWER: c

61. Which of the following dimensions of a business environment embodies the values, attitudes, customs, and beliefs shared by groups of people?

- a. The economic environment
- b. The technological environment
- c. The competitive environment
- d. The social environment

ANSWER: d

62. Susan, the Human Resources Director at Trangend Cosmetics, is responsible for recruiting, hiring, and training employees. In the context of the given scenario, Susan is a _____.

- a. factor of production
- b. mode of capital
- c. loyal advocate
- d. cause-related marketer

ANSWER: a

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63. Torino Mex, a men's fashion boutique, is renowned for creating designer clothes for Latino Americans. However, it introduced a new line of designer clothing that especially caters to young Hispanic Americans to widen its customer base. Which of the following dimensions of the social environment is highlighted in this scenario?

- a. Age
- b. Diversity
- c. Social responsibility
- d. Ethics

ANSWER: b

64. Mavin is the regional manager of Crustie Mex, a packaged food company. He is respected by his peers and subordinates for his immense knowledge and skills. Mavin decides to quit the company for a higher position at another firm. The CEO of Crustie Mex entices him with a competitive compensation package and promotion because he knows that Mavin is an important resource. The given scenario most likely exemplifies the concept of _____.

- a. free trade
- b. blurred retirement
- c. workforce advantage
- d. social responsibility

ANSWER: c

65. In the context of the history of American business, which of the following statements is true of the marketing era?

- a. Skilled artisan workshops were replaced by huge factories.
- b. Major businesses focused on refining the production process and creating greater efficiencies.
- c. Large-scale entrepreneurs dominated the market and raised the standard of living across the country.
- d. The balance of power shifted away from producers and toward consumers.

ANSWER: d

66. Black Marbles Resort is a resort in Miami. The members of the marketing department of the resort work hard to develop long-term associations with the resort's customers. They call them to receive feedback about their recent visits to the resort and offer huge discounts on their next visit. In the context of the history of American business, the marketing department is most likely using concepts that were popularized during the _____.

- a. entrepreneurship era
- b. production era
- c. relationship era
- d. technology era

ANSWER: c

67. Picxellate, a retail store chain, introduced a new mobile application that allows its customers to make online purchases. It also shows available products at every Picxellate store in the city for customers who wish to collect the products themselves. In this context, which dimension of the business environment is affected the most?

- a. The global environment
- b. The political environment
- c. The social environment
- d. The technological environment

ANSWER: d

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68. Children's Campground is a summer program for school children. It advertises that there is one counselor for every four children and that several other highly-trained professionals are part of its staff. Children's Campground advertisements indicate that the program relies heavily on its _____ factor to provide its services.

- a. natural resources
- b. human resources
- c. entrepreneurship
- d. capital

ANSWER: b

69. In the _____, leading-edge firms look beyond each immediate transaction with a customer and aim to build long-term ties.

- a. marketing era
- b. entrepreneurship era
- c. relationship era
- d. production era

ANSWER: c

70. In the context of a business environment, computers, telecommunications, and other digital tools are considered to be part of the _____.

- a. economic environment
- b. social environment
- c. cultural environment
- d. technological environment

ANSWER: d

71. Verti, a North American country, engages in business with Jerg, a South American country. Verti imports agricultural products from Jerg, whereas Jerg outsources its technological operations to workers in Verti. The two nations are able to carry out these business transactions with minimal tax implications. The given scenario most likely exemplifies the concept of _____.

- a. free trade
- b. e-commerce
- c. deployment
- d. internal audit

ANSWER: a

72. Minsk Revel, a food and beverage company, recently faced criticism when customers found worms in some of its products. As a result, the company was obligated to have a better level of transparency between its production processes and its consumers. Identify the dimension of the social environment that this scenario exemplifies.

- a. Income
- b. Diversity
- c. Age
- d. Ethics

ANSWER: d

73. Monclaire, a chain of luxury hotels, uses social media for promotional purposes. It also maintains a dedicated

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interactive Web page where customers write detailed reviews and discuss their experiences. In the context of the history of American business, Monclaire most likely belongs to the _____.

- a. relationship era
- b. entrepreneurship era
- c. production era
- d. industrial revolution era

ANSWER: a

74. In the context of factors of production, which of the following is a natural resource?

- a. An equipment
- b. Land
- c. An investment
- d. Information

ANSWER: b

75. In the context of the history of American business, which of the following statements is true of the production era?

- a. Major businesses focused on shifting the balance of power from producers and toward consumers.
- b. The method of hard sell was eliminated.
- c. The assembly line became standard across major manufacturing industries.
- d. Leading-edge firms looked beyond each immediate transaction with a customer and aimed at building a long-term relationship.

ANSWER: c

76. Which of the following is an example of a nonprofit organization?

- a. Costicon, a regional retail store that sells goods at discounted prices
- b. Hollorg, a community museum that is funded by a trust and is free for public use
- c. Tempim, a local newspaper house that sells newspaper at prices lower than its competitors
- d. Modashows, a fashion publication house that issues free subscriptions of its weekly magazines to consumers who are yearly subscribers

ANSWER: b

77. In the context of the social environment dimension of a business, _____ is the measurable characteristics of a population.

- a. public relations
- b. demographics
- c. speed-to-market
- d. the hard sell

ANSWER: b

78. Gormath Inc., a shoe manufacturing company, employs 750 workers to create handcrafted shoes. In the context of factors of production, the employees of Gormath Inc. can be classified as _____.

- a. human resources
- b. entrepreneurs
- c. capital
- d. natural resources

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ANSWER: a

79. Melina and Carl want to start an event management company that would provide local artists with a platform to showcase their talent and gain an audience. Melina and Carl are willing to invest their own resources in this project. In the context of factors of production, the given scenario exemplifies the concept of _____.

- a. deployment
- b. entrepreneurship
- c. situational analysis
- d. capital creation

ANSWER: b

80. Samuel is struggling to run his start-up in his locality because local trade associations have established strict codes of conduct regarding certification, accreditation, and insurance obligation for businesses. In the context of economic freedom in a business environment, which of the following is adversely affecting Samuel's start-up?

- a. A lack of freedom of production
- b. A lack of freedom of staffing
- c. Excessive regulation
- d. Excessive taxation

ANSWER: c

81. Mercy's Apparels, a fabric company, was established post World War II with the aim of catering to the demands of consumers looking for affordable quality clothing. To differentiate itself from its competitors, the company developed a distinctive identity as the producer of budget clothing. In the context of the history of American business, Mercy's Apparels was most likely established during the _____.

- a. production era
- b. marketing era
- c. industrial revolution era
- d. entrepreneurship era

ANSWER: b

82. Touca Ness, a fantasy movie franchise, was initially created for children in the early 1960s. However, as the franchise started to gain a cult following, the content of the franchise began to include mature themes in order to maintain popularity among its existing consumers. Identify the dimension of the social environment that this scenario exemplifies.

- a. Diverse workforce
- b. Aging population
- c. Ethical policy
- d. Social responsibility

ANSWER: b

83. The employees of Carrick Inc., an electronics company, are requesting the management to adopt a new performance appraisal process to allow better transparency between different levels of the company. They propose to have one-on-one feedback sessions that would help reduce various appraisal biases. Identify the dimension of the social environment that this scenario exemplifies.

- a. Diversity
- b. Ethics
- c. Age

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d. Income

ANSWER: b

84. When Ruben wanted to start a new online news service, he was skeptical about investing in it because of the economic crisis in his country. However, he was put at ease after learning about the government's policy of levying low federal taxes on startup businesses. In this context, which dimension of the business environment is affected the most?

- a. The technological environment
- b. The social environment
- c. The economic environment
- d. The competitive environment

ANSWER: c

85. In the context of the history of American business, during the _____, businesses began to develop distinctive identities to help customers understand the differences among various products.

- a. industrial revolution
- b. entrepreneurship era
- c. marketing era
- d. relationship era

ANSWER: c

86. Ryron Bank, a private bank, introduced Internet banking facilities for its customers after the government demonetized hundred dollar bills. Customers who were reluctant to use credit cards for their daily purchases were enthusiastic about this new option. In this context, which dimension of the business environment is affected the most?

- a. The social environment
- b. The technological environment
- c. The political environment
- d. The global environment

ANSWER: b

87. Which of the following is a characteristic of entrepreneurs?

- a. They believe in creating wealth for the underprivileged rather than for themselves.
- b. They start a business so that no form of loss is incurred.
- c. They have little or no impact on other people in the society.
- d. They risk their time, money, and other resources to start and manage their business.

ANSWER: d

88. Marsa and Hunare are Asian nations. Jorwen, Kellpit, and Denqor are North American nations. These five nations recently signed a multilateral agreement that allows them to carry out business operations with minimal tax implications. This arrangement would allow Jorwen, Kellpit, and Denqor to import goods from Marsa and Hunare, which have low labor costs and high production quality. This agreement among these five nations is most likely possible because of the _____.

- a. Retail Association Cooperative Agreement
- b. European Investment Treaty
- c. General Agreement on Tariffs and Trade
- d. American Free Trade Agreement

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ANSWER: c

89. Which of the following statements is true of profit in a business?

- a. It is the difference in the number of customers served between two financial years.
- b. It is the financial reward that comes from starting and running a business.
- c. It is the difference between the stock at the start and end of an inventory reporting period.
- d. It is estimated by calculating the total interest amount due when a business has availed multiple loans.

ANSWER: b

90. When a business brings in less money than it needs to cover expenses, it incurs a _____.

- a. deferral
- b. loss
- c. depreciation
- d. bondage

ANSWER: b

91. When Rotomate, a technology solutions company, started producing portable GPS tracking devices in the early 1980s, it faced severe losses because of the lack of a market for its product. Given this information, it can be concluded that Rotomate:

- a. was a bleeding-edge firm.
- b. used the concept of fast-laning.
- c. had a low speed-to-market.
- d. was a leading-edge firm.

ANSWER: a

92. Which of the following factors is most likely to be covered by the social environment dimension of a business?

- a. Population size
- b. Bank interest rates
- c. Virtual traffic
- d. Federal tax laws

ANSWER: a

93. Renault and Renoir, a law firm, is infamous for influencing witnesses with the use of bribes. Because of this corruption, the law firm has won many cases that it would have otherwise lost. In this context, which dimension of the business environment is affected the most?

- a. The political environment
- b. The global environment
- c. The technological environment
- d. The economic environment

ANSWER: d

94. Unity Prax is a manufacturer of bronze sculptures. It obtains copper ore from the Pima County in Arizona. In this scenario, the copper ore obtained by Unity Prax can be classified as _____.

- a. human resources
- b. capital resources

Name: _____ Class: _____ Date: _____

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- c. natural resources
- d. man-made resources

ANSWER: c

95. In the context of the history of American business, which of the following occurred during the entrepreneurship era?
- a. The balance of power shifted away from producers and toward consumers.
 - b. The Web and other digital resources were used to gather detailed information about customers to serve them better.
 - c. Industrial titans created enormous wealth that raised the overall standard of living across the country.
 - d. The introduction of specialized jobs increased productivity, resulting in lowered costs.

ANSWER: c

96. Which of the following dimensions of a business environment is specifically highlighted when stock markets lose a major portion of their value and when huge, venerable institutions collapse financially?
- a. The social environment
 - b. The technological environment
 - c. The cultural environment
 - d. The economic environment

ANSWER: d

97. Zip Zap Inc., a delivery service agency, employs a strict code of conduct that is aimed at minimizing unethical practices within the company. The policy describes the actions that would be taken against anyone who violates the company rules. This ensures that the business faces minimal risk. In this context, which dimension of the business environment is affected the most?
- a. The technological environment
 - b. The economic environment
 - c. The political environment
 - d. The global environment

ANSWER: b