

Management, 13e (Bateman)

Chapter 1 Managing and Performing

1) Technological change is one of the ongoing challenges that characterize the current business landscape.

Answer: TRUE

Explanation: The four ongoing challenges that characterize the current business landscape are: globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational boundaries.

Difficulty: 1 Easy

Topic: Technology

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Remember

AACSB: Technology

Accessibility: Keyboard Navigation

2) A global company can be headquartered anywhere, but usually most of its employees come from the organization's home country.

Answer: FALSE

Explanation: Globalization means that a company's talent can come from anywhere. For example, more than half of GE's employees live outside the United States.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

3) Collaboration occurs within companies and between companies, but it cannot occur between a company and a customer.

Answer: FALSE

Explanation: Customers can be collaborators. Companies must realize that the need to serve the customer drives everything else.

Difficulty: 2 Medium

Topic: Collaboration

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Teamwork

Accessibility: Keyboard Navigation

4) Globalization has reduced the need for innovation by equalizing production costs.

Answer: FALSE

Explanation: The need for innovation is driven in part by globalization. One obvious reason is that facilities in other countries can manufacture appliances or write software code at a lower cost than facilities in the United States.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

5) Done properly, sustainability encourages people to live in ways that can be maintained for a short period without harming environmental resources.

Answer: FALSE

Explanation: Sustainability is about protecting our options. Done properly, sustainability allows people to live and work in ways that can be maintained over the long term (generations) without depleting or harming our environmental, social, and economic resources.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

6) In today's world, planning is a top-down function in which top executives establish business plans and tell others to implement them.

Answer: FALSE

Explanation: Delivering strategic value is a continual process in which people throughout the organization use their intelligence and the input of customers, suppliers, and other stakeholders to identify opportunities to create, seize, strengthen, and sustain competitive advantage.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

7) It is sufficient for a manager to pay attention to one of the four management functions as long as he or she is very skillful at it.

Answer: FALSE

Explanation: Some managers are particularly interested in, devoted to, or skilled in one or two of the four functions but not in the others. But all managers should devote adequate attention and resources to all four functions.

Difficulty: 2 Medium

Topic: Functions of Management

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

8) Top-level managers are also known as tactical managers because they translate general goals into specific objectives.

Answer: FALSE

Explanation: Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization. Middle-level managers are otherwise called tactical managers.

Difficulty: 1 Easy

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

9) The need for interpersonal and communication skills fades as a manager moves from the lower levels of an organization into the upper management arena.

Answer: FALSE

Explanation: The importance of skills varies by managerial level. Technical skills are most important early in one's career. Conceptual and decision skills become more important than technical skills as a person rises higher in the company. But interpersonal skills are important throughout one's career, at every level of management.

Difficulty: 2 Medium

Topic: Top-Level Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Understand

AACSB: Communication

Accessibility: Keyboard Navigation

10) Emotional intelligence should be viewed as something you inherit and cannot change.

Answer: FALSE

Explanation: The common phrase "emotional intelligence" is controversial. For instance, individuals should not consider it as a type of intelligence but as a set of skills that they can learn and develop—but these skills do matter in many ways.

Difficulty: 2 Medium

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

11) Which of the following types of companies are affected by globalization?

A) primarily large companies

B) primarily small companies

C) both large and small companies

D) only companies with overseas factories

E) only companies with immigrant workers

Answer: C

Explanation: Globalization affects small companies as well as large. Many small companies export their goods. Many domestic firms assemble their products in other countries. Globalization means that a company's talent can come from anywhere.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

12) Which of the following statements about international markets is true?

- A) Incomes are rising but demand is stagnant.
- B) Incomes are rising and demand is increasing.
- C) Incomes are rising but demand is decreasing.
- D) Incomes are dropping and demand is decreasing.
- E) Incomes are dropping but demand is increasing.

Answer: B

Explanation: Companies that want to grow often need to tap international markets, where incomes are rising and demand is increasing.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

13) Knowledge management concerns developing which of the following resources of an organization?

- A) its members' expertise, skills, wisdom, and relations
- B) its loyal customer base
- C) its property, such as factories and administrative buildings
- D) its store of both resources and manufactured goods
- E) its equipment, such as vehicles, tools, and machines

Answer: A

Explanation: Knowledge management is about finding, unlocking, sharing, and capitalizing on the most precious resources of an organization: people's expertise, skills, wisdom, and relationships.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

14) What is Web 2.0?

- A) social networking sites that allow users to publish and share information
- B) an advanced type of search engine that disregards most unusable data
- C) a type of Internet platform that displays information but does not have interactivity
- D) a program that allows businesses to sell merchandise on the Internet more securely
- E) a new form of web-based video communications technology

Answer: A

Explanation: In 2003 tech guru Tim O'Reilly coined the term "Web 2.0" to describe the exciting new wave of social networking start-ups that allow users to publish and share information.

Difficulty: 1 Easy

Topic: Technology

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

15) _____ is the set of practices aimed at discovering and harnessing an organization's intellectual resources.

- A) Web 2.0
- B) Competitive advantage
- C) Cost competitiveness
- D) Knowledge management
- E) Quality

Answer: D

Explanation: Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources, fully utilizing the intellects of the organization's people.

Difficulty: 1 Easy

Topic: Competitive Advantage

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

16) Which of the following is an example of collaboration across boundaries?

- A) Allie, a bookkeeper, has an idea for keeping more efficient records of outstanding invoices, and she clears the idea with her accounting manager before implementation.
- B) While working out in the company gym, Jamal comes up with an idea that might help his team member Ursula with the ad campaign she is working on.
- C) Before deciding on the trim size of the book his editorial team is producing, Hector asks the shipping department how the various choices will affect packing costs.
- D) Mei stays late to stuff an important mailing in envelopes because her boss, an executive, needs the mailing to go out in the next morning's mail.
- E) After listening to the complaints of the other technicians in the IT Department, Gregor devises a standard form for company employees to use for service requests.

Answer: C

Explanation: One of the most important processes of knowledge management is to ensure that people in different parts of the organization collaborate effectively with one another. This requires productive communications among different departments, divisions, or other subunits of the organization.

Difficulty: 3 Hard

Topic: Collaboration

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

17) Rachael is the owner and manager of Aquarius Coffee and Tea, a coffee shop and bakery popular among local college students as a hangout and study spot. Aquarius has been in operation since 1978, and Rachael has made many changes over the years to keep up with the changing tastes and expectations of her clientele. In the last ten years, she has gone from offering paid Wi-Fi to free Wi-Fi, and she recently expanded her offerings to include vegan and gluten-free items as well as salads and sandwiches. Recently, a new café called Bluebird Coffee and Cupcakes opened across town, and Aquarius' business has dropped off considerably. One of her young cashiers, Leora, notes that Rachael has not made the best use of the Internet to promote her business. What will Leora most likely suggest as the quickest, cheapest, and most effective way for Rachael to expand her technological reach to her college-aged clients?

- A) starting a blog with recipes and links to local, socially conscious businesses
- B) expanding her social media presence on Twitter, Instagram, and Snapchat
- C) hiring someone to design and launch an Aquarius Café phone app
- D) sending out a monthly email newsletter with discount codes and coupons
- E) buying ad space on Google, Yahoo, and other search engines

Answer: B

Explanation: Technology is vitally important in the business world. Technology both complicates things and creates new opportunities. The challenges come from the rapid rate at which communication, transportation, information, and other technologies change. Because of this, it is especially important to make wise decisions about using technology. Designing a phone app will be expensive and time-consuming, while blogs and email newsletters do not appeal to college-aged customers. In Rachael's situation, expanding her social media presence will be the quickest and cheapest way to reach the demographic she is trying to attract.

Difficulty: 3 Hard

Topic: Technology

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

18) Which of the following is one of the ongoing challenges that characterize the current business landscape?

- A) uniformity of offerings
- B) technological change
- C) quality
- D) cost competitiveness
- E) speed

Answer: B

Explanation: Four ongoing challenges that characterize current business landscapes are: globalization, technological change, the importance of knowledge and ideas, and collaboration across organizational boundaries.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Remember

AACSB: Technology

Accessibility: Keyboard Navigation

19) The change from a local to a global marketplace is

- A) irrelevant to today's business environment.
- B) irreversible.
- C) not necessary to remain competitive.
- D) slowing down.
- E) eliminating business challenges.

Answer: B

Explanation: Companies that want to grow often need to tap international markets, where incomes are rising and demand is increasing. The change from a local to a global marketplace is gaining momentum and is irreversible.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 20) Which of the following is true of globalization?
- A) The pace of change is slowing down.
 - B) Only large companies are affected by globalization.
 - C) Globalization is decreasing competition among companies.
 - D) A company's talent can come from anywhere.
 - E) The global marketplace is stable and unchanging.

Answer: D

Explanation: Globalization affects small companies as well as large. Many small companies export their goods. Many domestic firms assemble their products in other countries. Globalization means that a company's talent can come from anywhere.

Difficulty: 2 Medium

Topic: Globalization

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 21) Which of the following statements is true about the Internet?
- A) It has reduced threats to most businesses.
 - B) It drives down costs.
 - C) It does not influence globalization.
 - D) It slows down globalization.
 - E) It slows down decision making.

Answer: B

Explanation: The Internet is important to business because it is a marketplace, a means for manufacturing goods and services, a distribution channel, an information service, and more. It drives down costs and speeds up globalization. It improves efficiency of decision making.

Managers can watch and learn what other companies are doing on the other side of the world.

Difficulty: 2 Medium

Topic: Technology

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

22) Anna excels at identifying the talents of employees and finding the jobs where they can best use those talents to benefit the organization. Anna excels at _____ management.

- A) knowledge
- B) scientific
- C) project
- D) service
- E) quality

Answer: A

Explanation: Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources, fully utilizing the intellects of the organization's people. It is about finding, unlocking, sharing, and altogether capitalizing on the most precious resources of an organization.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

23) Which of the following statements is true of collaboration?

- A) Collaboration occurs only within the boundaries of an organization.
- B) A sole focus on unit performance spurs collaboration.
- C) It is unrealistic to think that a company can collaborate with its customers.
- D) Companies should capitalize on ideas generated within the organization alone.
- E) Collaboration is an important process of knowledge management.

Answer: E

Explanation: One of the most important processes of knowledge management is to ensure that people in different parts of the organization collaborate effectively with one another. This requires productive communications among different departments, divisions, or other subunits of the organization.

Difficulty: 2 Medium

Topic: Collaboration

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

24) Maureen has an ice cream shop in Washington, D.C. One thing that attracts busy people to her shop is that she has perfected a way to make milkshakes and sundaes in half the time her competitors take. Which fundamental driver of success has Maureen emphasized?

- A) knowledge
- B) quality
- C) cost competitiveness
- D) speed
- E) sustainability

Answer: D

Explanation: To succeed, managers must deliver performance. The fundamental success drivers of performance are innovation, quality, service, speed, cost competitiveness, and sustainability. Speed is rapid execution, response, and delivery.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

25) Which of the following is an example of innovation?

- A) A company redecorates its stores to look up to date.
- B) A company charges fees for late returns of rentals.
- C) A company lowers the price of its traditional product.
- D) A company invents a new way to deliver digital content.
- E) A company reduces its staff to cut operating costs.

Answer: D

Explanation: Innovation is the introduction of new goods and services, such as a new way to deliver digital content. A firm must adapt to changes in consumer demands and to new competitors.

Difficulty: 2 Medium

Topic: Innovation

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 26) An approach to achieving _____ includes preventing defects before they occur.
- A) total quality
 - B) cost competitiveness
 - C) sustainability
 - D) innovation
 - E) efficiency

Answer: A

Explanation: Total quality includes preventing defects before they occur, achieving zero defects in manufacturing, and designing products for quality. The goal is to solve and eradicate from the beginning all quality-related problems and to live a philosophy of continuous improvement in the way the company operates.

Difficulty: 2 Medium

Topic: Quality

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 27) Which of the following economic sectors has become increasingly important to the U.S. economy?
- A) agriculture
 - B) manufacturing
 - C) fishing
 - D) service
 - E) forestry

Answer: D

Explanation: Service means giving customers what they want or need, when they want it. So service is focused on continually meeting the needs of customers to establish mutually beneficial long-term relationships.

Difficulty: 1 Easy

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

28) Which of the following involves keeping costs low enough so that a company can realize profits while pricing its products at levels that are attractive to consumers?

- A) total quality
- B) cost competitiveness
- C) sustainability
- D) innovation
- E) efficiency

Answer: B

Explanation: Cost competitiveness means keeping costs low enough so that the company can realize profits and price its products (goods or services) at levels that are attractive to consumers.

Difficulty: 1 Easy

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

29) In what way has the Internet made cost competitiveness a more important consideration for businesses?

- A) Retailers have more shipping options than before.
- B) Advertising has become less effective because of online ads.
- C) Consumers have more information about production processes.
- D) Producers have more information about what competitors are doing.
- E) Consumers can more easily compare prices online.

Answer: E

Explanation: One reason every company must worry about cost is that consumers can easily compare prices on the Internet from thousands of competitors. Consumers looking to buy popular items, such as cameras, printers, and plane fares, can go online to research the best models and the best deals.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 30) Done properly, sustainability encourages people to live in ways that can be maintained for the
- A) most profit.
 - B) long term.
 - C) individual.
 - D) wealthy.
 - E) present.

Answer: B

Explanation: Sustainability is about protecting our options. Done properly, sustainability allows people to live and work in ways that can be maintained over the long term (generations) without depleting or harming our environmental, social, and economic resources.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 31) _____ is the introduction of new goods and services.
- A) Collaboration
 - B) Efficiency
 - C) Innovation
 - D) Adaptation
 - E) Introspection

Answer: C

Explanation: Innovation is the introduction of new goods and services. A firm must adapt to changes in consumer demands and to new competitors.

Difficulty: 1 Easy

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

32) _____ is defined as the excellence of a product.

- A) Innovation
- B) Quality
- C) Demand
- D) Value
- E) Reliability

Answer: B

Explanation: In general, quality is the excellence of a product. The importance of quality and the standards for acceptable quality have increased dramatically in recent years.

Difficulty: 1 Easy

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

33) Which of the following is true of services?

- A) They include intangible products like medical care.
- B) They include manufacturing high-quality goods.
- C) They focus on establishing short-term relationships.
- D) Jobs based on services have been declining in recent years.
- E) Insurance and haircuts are examples of tangible products.

Answer: A

Explanation: Service means giving customers what they want or need, when they want it. Services include intangible products such as insurance, hotel accommodations, medical care, and haircuts.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 34) Which of the following is true of speed as a success driver of organizational performance?
- A) It is defined as the excellence of a product.
 - B) The requirement for speed has decreased with time.
 - C) Faster companies are more likely to be losers.
 - D) It separates the winners from the losers.
 - E) It is no longer considered as a strategic imperative.

Answer: D

Explanation: In the modern business environment, speed—the rapid execution, response, and delivery of results—often separates the winners from the losers.

Difficulty: 1 Easy

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 35) Cost competitiveness involves
- A) sacrificing quality to keep costs low.
 - B) increasing prices to boost profits.
 - C) pricing products at a level attractive to consumers.
 - D) managing costs by being effective.
 - E) offering high-quality products at higher prices.

Answer: C

Explanation: Cost competitiveness means keeping costs low enough so that the company can realize profits and price its products (goods or services) at levels that are attractive to consumers. Needless to say, if a company offers a desirable product at a lower price, it is more likely to sell.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

36) Sustainability is defined as the

- A) fast and timely execution, response, and delivery of results.
- B) speed and dependability with which an organization delivers what customers want.
- C) introduction of new goods and services into the market.
- D) effort to minimize the use of resources, especially those that are polluting and non-renewable.
- E) minimization of costs to achieve profits and be able to offer prices that are attractive to consumers.

Answer: D

Explanation: Sustainability is the effort to minimize the use of resources, especially those that are polluting and nonrenewable. Done properly, sustainability allows people to live and work in ways that can be maintained over the long term without depleting the environmental, social, and economic resources.

Difficulty: 1 Easy

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

37) A large part of Jamal's job is to help his company use more recycled products, reduce pollution, and switch to renewable sources of energy. Which of the following does Jamal's job focus on?

- A) sustainability
- B) total quality
- C) innovation
- D) collaboration
- E) cost competitiveness

Answer: A

Explanation: Sustainability is the effort to minimize the use of resources, especially those that are polluting and nonrenewable. Done properly, sustainability allows people to live and work in ways that can be maintained over the long term without depleting or harming our environmental, social, and economic resources.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 38) Which of the following statements is true of the sources of competitive advantage?
- A) The best companies choose one source of competitive advantage and perfect it.
 - B) When companies improve one source of competitive advantage, others suffer.
 - C) It is possible to improve quality and also enhance speed.
 - D) Trade-offs do not occur among the six sources of competitive advantage.
 - E) It is possible to improve more than one source, but they should be tackled one at a time.

Answer: C

Explanation: The best managers and companies deliver on all six sources of competitive advantage.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 39) Kowalski-Schmidt, a brewery headquartered in Kenosha, Wisconsin, has been in business since 1906. They manufacture several brands of value-priced lagers and ales, which are distributed throughout the United States and Canada. Recently the company decided to begin manufacturing a higher-priced, specialty craft beer. To that end, they began a crowdsourcing campaign to help decide on the features of the craft beer brand. This resulted in the company
- A) sending out a survey to the owners of bars and convenience stores where Kowalski-Schmidt's bestselling brand is sold to get feedback on the sales of their products.
 - B) launching a contest, via their website, to solicit the input of consumers and homebrew hobbyists in the United States.
 - C) sponsoring a local music festival and using the occasion to offer attendees a preview of the new craft beer.
 - D) adding a new comments section to their website allowing consumers to leave feedback on their existing brands.
 - E) having the marketing team design a new line of t-shirts promoting the craft beer line, based on the popularity of previous merchandising campaigns.

Answer: B

Explanation: Crowdsourcing is a type of collaboration across boundaries that has resulted from the instant communication made possible through the Internet and social media. Crowdsourcing is a new and effective way for companies and consumers to become collaborators. In the case of Kowalski-Schmidt, they were able to access the knowledge base and preferences of their customers in ways previously unknown, and their customers were able to actively contribute to the planning and implementation of the new product.

Difficulty: 3 Hard

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

40) To be _____ is to achieve organizational goals.

- A) efficient
- B) effective
- C) innovative
- D) sustainable
- E) strategic

Answer: B

Explanation: Good managers work both effectively and efficiently. To be effective is to achieve organizational goals. To be efficient is to achieve goals with minimal waste of resources—that is, to make the best possible use of money, time, materials, and people.

Difficulty: 1 Easy

Topic: Functions of Management

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

41) Which of the following statements about managers is true?

- A) It is more important for managers to be efficient than to be effective.
- B) It is more important for managers to be effective than to be efficient.
- C) Low-level managers should be efficient, while high-level managers should be effective.
- D) Low-level managers should be effective, while high-level managers should be efficient.
- E) The best managers maintain a clear focus on both effectiveness and efficiency.

Answer: E

Explanation: Some managers fail at being either efficient or effective, or focus on one at the expense of the other. The best managers maintain a clear focus on both effectiveness and efficiency.

Difficulty: 2 Medium

Topic: Functions of Management

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

42) Liu focuses on assembling and coordinating the people, equipment, and supplies that his company needs to achieve its goals. What management function does Liu emphasize in his work?

- A) planning
- B) leading
- C) controlling
- D) sustaining
- E) organizing

Answer: E

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals.

Difficulty: 3 Hard

Topic: Organizing

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

43) In today's business climate, what is the recommended way to do planning?

- A) as a top-down process in which the highest-level executives decide what to do
- B) as a continual process that uses the input of people throughout the organization
- C) as a process in which middle managers and top executive collaborate in decision making
- D) as a process by which top executives make proposals and all levels of the company vote on them
- E) as a bottom-up process in which all proposals must come from frontline employees or managers

Answer: B

Explanation: In today's business climate, delivering strategic value, or planning, is a continual process in which people throughout the organization use their intelligence and the input of customers, suppliers, and other stakeholders to identify opportunities to create, seize, strengthen, and sustain competitive advantage.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 44) In the future, _____ business organizations will be the most effective.
- A) hierarchical
 - B) closed
 - C) flexible
 - D) bureaucratic
 - E) traditional

Answer: C

Explanation: Historically, organizing involved creating an organization chart and having traditional HR functions. In the future, effective managers will build organizations that are flexible and adaptive, particularly in response to competitive threats and customer needs.

Difficulty: 2 Medium

Topic: Organizing

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 45) In terms of good management, efficiency differs from effectiveness primarily in the former's focus on
- A) customer satisfaction.
 - B) shareholder profits.
 - C) customer retention.
 - D) employee turnover.
 - E) resource utilization.

Answer: E

Explanation: Good managers accomplish organizational goals by working both effectively and efficiently. To be effective is to achieve organizational goals. To be efficient is to achieve goals with minimal waste of resources—that is, to make the best possible use of money, time, materials, and people.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

46) Which of the following is one of the four fundamental traditional management functions?

- A) planning
- B) contracting
- C) outsourcing
- D) distributing
- E) innovating

Answer: A

Explanation: The four traditional functions of management are planning, organizing, leading, and controlling. They remain as relevant as ever, and they still provide the fundamentals that are needed in start-ups as much as in established corporations.

Difficulty: 1 Easy

Topic: Planning

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

47) Debra and her top managers are choosing the goals that Debra's company should achieve and deciding in advance the appropriate actions needed to achieve those goals. What are they doing?

- A) staffing
- B) forecasting
- C) organizing
- D) planning
- E) reporting

Answer: D

Explanation: Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. Plans set the stage for action and for major achievements.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

48) Planning includes

- A) analyzing current situations.
- B) determining rewards for goals achievement.
- C) attracting people to the organization.
- D) motivating employees.
- E) implementing necessary changes.

Answer: A

Explanation: Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding in what types of activities the company will engage, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

49) The managers at EarthGreen Technology are currently developing strategies for the company's new products and setting objectives for its business units. These managers are engaging in the management function of

- A) forecasting.
- B) planning.
- C) staffing.
- D) organizing.
- E) outsourcing.

Answer: B

Explanation: Planning activities include analyzing current situations, anticipating the future, determining objectives, deciding in what types of activities the company will engage, choosing corporate and business strategies, and determining resources needed to achieve goals.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

50) The planning function in the new business environment can also be described more dynamically as

- A) building a dynamic organization.
- B) delivering strategic value.
- C) stimulating people to be high performers.
- D) monitoring performance and implementing needed changes.
- E) motivating workers to do their jobs effectively.

Answer: B

Explanation: The planning function for the new business environment is more dynamically described as delivering strategic value. Value describes the monetary amount associated with how well a job, task, good, or service meets users' needs. That value is strategic when it contributes to meeting the organization's goals.

Difficulty: 2 Medium

Topic: Planning

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

51) Which of the following functions of management is described as building a dynamic organization?

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) staffing

Answer: B

Explanation: The organizing function can be described as building a dynamic organization. Now and in the future, effective managers will build organizations that are flexible and adaptive, particularly in response to competitive threats and customer needs.

Difficulty: 1 Easy

Topic: Organizing

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

52) _____ is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals.

- A) Benchmarking
- B) Planning
- C) Organizing
- D) Optimizing
- E) Quantifying

Answer: C

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Organizing activities include attracting people to the organization and specifying job responsibilities.

Difficulty: 1 Easy

Topic: Organizing

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

53) Bellwether Fashion has recently started operations as a business. The managers have already determined their objectives and have decided on the type of clothing they will specialize in. They have now started to attract people to work for them and have started determining the responsibilities of workers. Which of the following management functions are Bellwether Fashion's managers performing?

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) budgeting

Answer: B

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Organizing activities include attracting people to the organization, specifying job responsibilities, grouping jobs into work units, marshaling and allocating resources, and creating conditions so that people and things work together to achieve maximum success.

Difficulty: 3 Hard

Topic: Organizing

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

54) Gerard is a general manager for Handy Dandy Corp., a tool-manufacturing firm. He is considering some changes to the production floor, which include layout adjustments and the purchase of new equipment to improve efficiency. He also wants to promote one of his employees to team leader. Which of the following functions of management is Gerard performing?

- A) planning
- B) training
- C) leading
- D) organizing
- E) controlling

Answer: D

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Organizing activities include specifying job responsibilities, grouping jobs into work units, marshaling and allocating resources, and creating conditions so that people and things work together to achieve maximum success.

Difficulty: 3 Hard

Topic: Organizing

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

55) Carol has the knack of inspiring the people in her department to learn new skills and to perform better than expected on the job. As a manager, what is Carol especially good at doing?

- A) planning
- B) staffing
- C) leading
- D) controlling
- E) monitoring

Answer: C

Explanation: Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups.

Difficulty: 2 Medium

Topic: Leading

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 56) As one of the key management functions, leading focuses on a manager's efforts to
- A) mobilize people to contribute their ideas.
 - B) build organizations that are flexible and adaptive.
 - C) make sure goals are met.
 - D) identify opportunities for sustainable advantage.
 - E) build a dynamic organization.

Answer: A

Explanation: Leading is stimulating people to be high performers. Today and in the future, managers must be good at mobilizing people to contribute their ideas and to use their brains in ways never needed or dreamed of in the past.

Difficulty: 2 Medium

Topic: Leading

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 57) _____ involves monitoring performance and making necessary changes.
- A) Budgeting
 - B) Planning
 - C) Organizing
 - D) Leading
 - E) Controlling

Answer: E

Explanation: The fourth function of management, controlling, monitors performance and implements necessary changes. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals such as quality and safety.

Difficulty: 1 Easy

Topic: Controlling

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

58) When Martina, manager of the sales department for ShineCo Cleaning Supplies, realized that her plan to increase her associates' sales levels was not producing the desired results, she instituted a refresher training course that helped the associates achieve better results. Which of the following management functions is illustrated in this scenario?

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) budgeting

Answer: D

Explanation: The fourth function of management, controlling, monitors performance and implements necessary changes. By controlling, managers make sure that the organization's resources are being used as planned and that the organization is meeting its goals, such as quality and safety.

Difficulty: 3 Hard

Topic: Controlling

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

59) Through careful monitoring of the financial budgets of a firm, managers can detect potential problems in reaching their financial goals and take actions to reverse the problem. This is an example of the _____ function of management.

- A) planning
- B) controlling
- C) leading
- D) organizing
- E) staffing

Answer: B

Explanation: The fourth function of management, controlling, monitors performance and implements necessary changes. By controlling, managers make sure the organization's resources are being used as planned and the organization is meeting its goals, including financial ones.

Difficulty: 3 Hard

Topic: Controlling

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

60) Trang is the CEO of Windward Cycles, a company which manufactures high-end racing bikes. The company's handmade, titanium bicycles have been very popular with professional cyclists, winning many industry awards. Last year the company was acquired by Kestrel Holdings, which decided to expand it into the recreational cycling market with a line of lower-priced road bikes. At the end of the first quarter, Trang meets with his team. Kasha, the CFO, has determined that advance sales of the new road bikes have not been as robust as expected in the Midwest region. If Trang is utilizing the controlling function of management, his likely next steps will involve

- A) looking at the advertising budget and deciding to allocate more money to the Midwest market.
- B) assigning a team to visit the Midwest offices with the goal of motivating the employees.
- C) revamping the company's mission statement to align with those of Kestrel Holdings.
- D) asking himself how he can be a more effective leader as the company moves in a new direction.
- E) recruiting and training new hires for the Midwest office's sales team.

Answer: A

Explanation: When managers implement their plans, they often find that things are not working out as planned. The controlling function makes sure that goals are met. It asks and answers the question, "Are our actual outcomes consistent with our goals?" It then makes adjustments as needed. In controlling the problem of lackluster road bike sales in the Midwest, Trang may decide to increase the budget for or alter the approach to advertising in that area.

Difficulty: 3 Hard

Topic: Controlling

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) For her job, Charmaine is expected to look ahead at the company's future and devise strategies for the company's long-term success and growth. Judging from this description, Charmaine is a _____ manager.

- A) top-level
- B) frontline
- C) middle
- D) tactical
- E) operational

Answer: A

Explanation: Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization. They are the senior executives of an organization and are responsible for its overall management.

Difficulty: 3 Hard

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) Which of the following job titles indicates that a person is a frontline manager?

- A) Vice President
- B) Chief Financial Officer
- C) Human Resources Manager
- D) Floor Supervisor
- E) Executive Assistant

Answer: D

Explanation: Frontline managers, or operational managers, are lower-level managers who supervise the operations of an organization. These managers often have titles such as supervisor or assistant manager.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 63) The three levels of managers within large organizations are
- A) authoritative, permissive, and submissive.
 - B) managerial, functional, and direct.
 - C) technical, functional, and departmental.
 - D) upper level, top management, and functional.
 - E) top, middle, and frontline.

Answer: E

Explanation: Organizations—particularly large organizations—have many levels. The types of managers found at three different organizational levels are top level, middle level, and frontline.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 64) Senior executives responsible for the overall management and effectiveness of the organization are known as _____ managers.
- A) frontline
 - B) middle
 - C) strategic
 - D) tactical
 - E) short-run

Answer: C

Explanation: Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization. They are the senior executives of an organization and are responsible for its overall management.

Difficulty: 1 Easy

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 65) Lyle is the CEO of an international hotel chain. Lyle is most likely to focus on
- A) long-term survival of the organization.
 - B) translating goals and objectives into specific activities.
 - C) managing frontline managers.
 - D) supervising nonmanagement employees.
 - E) initiating new daily activities.

Answer: A

Explanation: Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization.

Difficulty: 2 Medium

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 66) _____ managers are typically concerned with the interaction between the organization and its external environment.
- A) Operational
 - B) Top-level
 - C) Middle-level
 - D) Frontline
 - E) Tactical

Answer: B

Explanation: Top managers are concerned not only with the organization as a whole but also with the interaction between the organization and its external environment. This interaction often requires managers to work extensively with outside individuals and organizations.

Difficulty: 2 Medium

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

67) The chief executive officer, company president, and the chief operating officer are all examples of _____ managers.

- A) strategic
- B) tactical
- C) operational
- D) frontline
- E) regional

Answer: A

Explanation: The chief executive officer, chief operating officer, company presidents, and vice presidents are all strategic-level members of the top management team. Top-level managers are the senior executives of an organization and are responsible for its overall management.

Difficulty: 2 Medium

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

68) Shauna is responsible for studying the general goals and plans developed for her company and translating them into more specific objectives and activities for the employees in her department.

Shauna is a(n) _____ manager.

- A) Operational
- B) Frontline
- C) Top-level
- D) Strategic
- E) Tactical

Answer: E

Explanation: Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers. Sometimes called tactical managers, they are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities.

Difficulty: 3 Hard

Topic: Middle Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 69) Tactical managers are often referred to as _____ managers.
- A) frontline
 - B) middle-level.
 - C) lower-level
 - D) operational
 - E) top-level

Answer: B

Explanation: Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers. Sometimes called tactical managers, they are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities.

Difficulty: 1 Easy

Topic: Middle Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 70) As a regional manager for Prism Paints, Fiona spends most of her time training new sales managers and making sure that information coming from headquarters reaches the company's branches. In this case, Fiona would best be described as a(n) _____ manager.
- A) frontline
 - B) tactical
 - C) operational
 - D) top-level
 - E) strategic

Answer: B

Explanation: Tactical, or middle-level, managers are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities. The role of the middle manager is to be an administrator who bridges the gap between higher and lower levels.

Difficulty: 3 Hard

Topic: Middle Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

71) Terence supervises the shipping department of a book printer in South Carolina. He contacts trucking companies to arrange pickups, and he makes sure that his team members load cartons onto the correct trucks. Terence is a

- A) frontline manager.
- B) middle manager.
- C) top-level manager.
- D) tactical manager.
- E) strategic manager.

Answer: A

Explanation: Frontline managers, or operational managers, are lower-level managers who supervise the operations of an organization. These managers often have titles such as supervisor or assistant manager.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

72) Which of the following is a characteristic of operational managers?

- A) They bridge the gap between higher and lower levels of management.
- B) They focus on long-term issues of the business.
- C) They develop goals and plans that have been formulated by top-level managers.
- D) They are directly involved with nonmanagement employees.
- E) They break down the business's objectives into business units.

Answer: D

Explanation: Frontline managers, or operational managers, are lower-level managers who supervise the operations of the organization. They are directly involved with nonmanagement employees, implementing the specific plans developed with middle managers.

Difficulty: 1 Easy

Topic: Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 73) Operational managers play a crucial role in an organization because they provide
- A) the link between management and nonmanagement personnel.
 - B) overall direction by formulating strategy and controlling resources.
 - C) the key plans for an organization's success.
 - D) feedback on top management performance.
 - E) direction and strategy for the organization.

Answer: A

Explanation: Frontline managers, or operational managers, are lower-level managers who supervise the operations of the organization. Their role is critical in an organization because they are the link between management and nonmanagement personnel.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 74) Abdo supervises employees who work on the floor of the Nature's Secret Organic Snack Food factory. He cooperates closely with his manager to determine ways to improve the efficiency of the manufacturing process and then works to implement those plans. In this case, Abdo would be considered a _____ manager.
- A) frontline
 - B) tactical
 - C) middle-level
 - D) top-level
 - E) strategic

Answer: A

Explanation: Frontline managers are lower-level managers who supervise the operations of the organization. They are directly involved with nonmanagement employees and implementing the specific plans developed with middle managers.

Difficulty: 3 Hard

Topic: Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

75) Titles such as assistant manager and supervisor typically belong to the _____ level of management.

- A) strategic
- B) middle
- C) primary
- D) operational
- E) tactical

Answer: D

Explanation: Front-level or operational managers often have titles such as supervisor, team leader, or assistant manager and are lower-level managers who supervise the operations of the organization.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

76) For the past five years, Maury has worked at the Windsor Grand Desert Time-Share Resort in Las Vegas, Nevada, starting out as a junior salesperson and rising to become a sales lead, with the highest sales numbers on his team two years running. Recently Maury was offered a promotion to Frontline Sales Manager. Which of the following duties is he most likely to perform in his new role?

- A) meeting regularly with the CEO and COO to discuss long-range sales goals
- B) translating the goals and plans of strategic managers into concrete objectives
- C) conceptualizing the long-term strategies the resort will need to stay competitive
- D) interpreting and communicating the priorities of top management to the other sales managers
- E) recruiting new sales associates and motivating sales team leaders

Answer: E

Explanation: Frontline managers are directly involved with nonmanagement employees, implementing the specific plans developed with middle managers. This role is critical in the organization because operational managers are the link between management and nonmanagement personnel. Your first management position probably will fit into this category.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

77) Marc is on the fast track to become an executive in his company. As he advances, he will most likely have less and less need of his _____ skills.

- A) communication
- B) technical
- C) interpersonal
- D) conceptual
- E) decision

Answer: B

Explanation: Technical skills are most important early in your career. Conceptual and decision skills become more important than technical skills as you rise higher in the company. But interpersonal skills are important throughout your career, at every level of management.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

78) Which of the following statements about job skills is true?

- A) Communication skills are needed only by top managers.
- B) Technical skills are equally important at all levels of management.
- C) Interpersonal skills are equally important at all levels of management.
- D) Decision skills are more important for frontline managers than top managers.
- E) Conceptual skills are more important for frontline managers than top managers.

Answer: C

Explanation: The importance of skills varies by managerial level. Technical skills are most important early in a person's career. Conceptual and decision skills become more important than technical skills as a person rises higher in the company. But interpersonal skills are important throughout a person's career, at every level of management.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Understand

AACSB: Communication

Accessibility: Keyboard Navigation

79) Hoa is about to begin her junior year of college, majoring in software engineering with a further specialization in software architecture. Ideally, she'd like to work for a small, innovative start-up, but she also wants to be as employable as possible in a fluctuating job market. She knows the importance of having skills that are transportable across different industries. As she plans her academic trajectory over the next two years, she should

A) focus on developing skills that will make her more competitive in a specific job market, for example the video game industry.

B) select classes that will broaden her skill set as much as possible, so that she can be competitive for different types of jobs, including those outside the tech industry.

C) focus on developing expertise in one skill set while increasing her general knowledge of the requirements for a specific industry.

D) focus on learning a broad range of skills at the top level while continuing to develop expertise in one specific area of software design.

E) become a specialist in as many subject areas as possible—for example, by developing deep expertise in several coding languages.

Answer: D

Explanation: Hoa will benefit most through working to become both a specialist and a generalist. To accomplish this, she should focus on learning a broad range of skills at the top level while continuing to develop expertise in one specific area of software design. Learning specific skills will help her provide concrete, identifiable value to the companies she applies to. At the same time, knowing enough about a variety of subject matters will allow her to think strategically and work with different perspectives.

Difficulty: 3 Hard

Topic: Specialization

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) Which of the following is one of the three essential categories of skills that managers need?

A) study skills

B) technical skills

C) negotiation skills

D) counseling skills

E) manipulative skills

Answer: B

Explanation: Although managers need many individual skills, there are three essential categories: technical skills, interpersonal and communication skills, and conceptual and decision skills.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

81) A(n) _____ skill is the ability to perform a specialized task that involves a certain method or process.

- A) conceptual
- B) administration
- C) interpersonal
- D) communication
- E) technical

Answer: E

Explanation: A technical skill is the ability to perform a specialized task that involves a certain method or process. Most people develop a set of technical skills to complete the activities that are part of their daily work lives.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

82) Compilation of an accounting statement can be categorized under _____ skills.

- A) technical
- B) communication
- C) conceptual
- D) interpersonal
- E) decision-making

Answer: A

Explanation: A technical skill is the ability to perform a specialized task that involves a certain method or process. For example, accounting and finance courses will help individuals develop the technical skills they need to understand and manage the financial resources of an organization.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

83) Which of the following roles involves searching for new business opportunities and initiating new projects to create change?

- A) leader
- B) figurehead
- C) entrepreneur
- D) disseminator
- E) monitor

Answer: C

Explanation: The entrepreneur role is responsible for searching for new business opportunities and initiating new projects to create change. It is one of the decisional roles played by managers.

Difficulty: 1 Easy

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

84) Maria attends the groundbreaking ceremony of a new children's hospital as the representative of her corporation, which gave a large donation toward the construction of the hospital. What role is Maria fulfilling?

- A) disseminator
- B) spokesperson
- C) liaison
- D) figurehead
- E) disturbance handler

Answer: D

Explanation: The figurehead role is responsible for performing symbolic duties (attending ceremonies and serving other social and legal demands). It is one of the interpersonal roles played by managers.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

85) Which of the following roles is a decisional role?

- A) spokesperson
- B) liaison
- C) leader
- D) disturbance handler
- E) monitor

Answer: D

Explanation: The decisional roles of managers are entrepreneur, disturbance handler, resource allocator, and negotiator.

Difficulty: 1 Easy

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

86) Hector, the vice president of Hillendale Landscaping Solutions, LLC, attended a trade show to make additional supplier contacts for the business. Which of the following roles was Hector fulfilling in this situation?

- A) leader
- B) liaison
- C) figurehead
- D) disturbance handler
- E) resource allocator

Answer: B

Explanation: The liaison role is responsible for maintaining a network of outside contacts who provide information and favors. It is one of the interpersonal roles played by managers.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

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87) Which of the following roles is performed by a customer service manager who works to defuse a situation with an angry customer?

- A) liaison
- B) disturbance handler
- C) negotiator
- D) disseminator
- E) figurehead

Answer: B

Explanation: The disturbance handler role involves taking corrective action during crises or other conflicts, such as dealing with an angry customer.

Difficulty: 2 Medium

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Apply

AACSB: Knowledge Application

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88) _____ skills influence a manager's ability to work well with people.

- A) Decision making
- B) Technical
- C) Interpersonal
- D) Professional
- E) Conceptual

Answer: C

Explanation: Interpersonal and communication skills influence a manager's ability to work well with people. These skills are often called people skills.

Difficulty: 1 Easy

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

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89) Listening to employee suggestions, gaining support for organizational objectives, and fostering an atmosphere of teamwork are all considered

- A) technical skills.
- B) interpersonal and communication skills.
- C) diagnostic and relational skills.
- D) statistical and analytical skills.
- E) conceptual and decision skills.

Answer: B

Explanation: Interpersonal and communication skills are people skills; they are the ability to lead, motivate, and communicate effectively with others.

Difficulty: 2 Medium

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Apply

AACSB: Knowledge Application

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90) Which of the following skills are more important during the beginning of a person's career?

- A) conceptual skills
- B) decision skills
- C) technical skills
- D) entrepreneurial skills
- E) statistical skills

Answer: C

Explanation: Technical skills are most important early in one's career. Conceptual and decision skills become more important than technical skills as individuals rise higher in the company. But interpersonal skills are important throughout one's career, at every level of management.

Difficulty: 1 Easy

Topic: Managerial Skills

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember

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91) No one at Iconoclast Interiors liked the company's new website, which was a serious problem because the firm marketed itself as an expert in design. The president, Moriah, assembled the team, solicited feedback, and found help in making improvements. The ability to identify this problem and resolve it is an effective use of _____ skills.

- A) conceptual and decision
- B) informational
- C) technical
- D) intellectual and language
- E) negotiation

Answer: A

Explanation: Conceptual and decision skills involve the ability to identify and resolve problems for the benefit of an organization and everyone concerned. Managers use these skills when they consider the overall objectives and strategy of the firm, the interactions among different parts of the organization, and the role of the business in its external environment.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) Individuals' conceptual and decision-making skills

- A) are most important early in their career.
- B) involve the ability to perform a specialized task using a specific method.
- C) are often referred to as people skills.
- D) become less important to them as they rise higher in the company.
- E) become more important to them as they grow in the company.

Answer: E

Explanation: Technical skills are most important early in your career. Conceptual and decision skills become more important than technical skills as you rise higher in the company. Interpersonal skills are important throughout your career, at every level of management.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Understand

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93) Emilia understands her own strengths and limitations, she manages her feelings and decisions well, and she deals effectively with other people. Emilia has

- A) verbal intelligence.
- B) business intelligence.
- C) cultural intelligence.
- D) leadership intelligence.
- E) emotional intelligence.

Answer: E

Explanation: Businesspeople often talk about emotional intelligence (or "EQ"), the skills of understanding oneself (including strengths and limitations), managing oneself (dealing with emotions, making good decisions, seeking and using feedback, and exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, and leading).

Difficulty: 2 Medium

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

94) Social capital is the

- A) goodwill stemming from your social relationships.
- B) understanding of how to behave in social situations.
- C) cost of socializing with business colleagues.
- D) cost to employers of workers socializing on the job.
- E) network of favors exchanged by social equals.

Answer: A

Explanation: Social capital is the goodwill stemming from your social relationships, and you can mobilize it on your behalf. It aids career success, compensation, employment, team effectiveness, successful entrepreneurship, and relationships with suppliers and other outsiders.

Difficulty: 1 Easy

Topic: Social Capital

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

95) Which of the following statements best describes the contemporary work environment?

- A) People can show up, do an OK job, and have a good career.
- B) More than ever, people are held accountable for getting results.
- C) Managers must be numbers-oriented to succeed.
- D) Visionaries are considered disruptive in today's work climate.
- E) If a manager is not charismatic, he or she cannot advance.

Answer: B

Explanation: Now—more than ever—individuals will be accountable for their actions and for results. In the past, people at many companies could show up, do an OK job, get a decent evaluation, and get a raise equal to the cost of living and maybe higher. Today managers must do more, better. Eminent management scholar Peter Drucker, in considering what makes managers effective, noted that some are charismatic whereas some are not, and some are visionary whereas others are more numbers-oriented. But they all ask what needs to be done, write action plans, take responsibility for decisions, and focus on opportunities, not problems.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

96) Emotional intelligence can best be defined as

- A) the ability to perform a specialized task involving a particular method or process.
- B) the ability to identify and resolve problems for the benefit of the organization and its members.
- C) the skills of understanding oneself, managing oneself, and dealing effectively with others.
- D) the skill of monitoring efforts and making the necessary changes.
- E) the skill to lead, motivate, and communicate effectively with others.

Answer: C

Explanation: Emotional intelligence, or "EQ," includes the skills of understanding oneself, managing oneself (dealing with emotions, making good decisions, seeking and using feedback, and exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, and leading).

Difficulty: 1 Easy

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Remember

AACSB: Knowledge Application

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- 97) A common complaint about leaders, especially outstanding performers who are newly appointed to leadership, is that they lack
- A) self-acceptance.
 - B) empathy.
 - C) technical skills.
 - D) decision-making skills.
 - E) self-control.

Answer: B

Explanation: A common complaint about leaders, especially newly promoted ones who had been outstanding individual performers, is that they lack what is perhaps the most fundamental of EQ skills: empathy. The issue is not lack of ability to change, but the lack of motivation to change.

Difficulty: 2 Medium

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

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- 98) Being self-reliant means individuals should
- A) take full responsibility for themselves and their actions.
 - B) be open minded and responsive when others have innovative ideas.
 - C) always wait for orders from higher management in the organization.
 - D) trust that the organization will manage their career.
 - E) not work in partnership with fellow employees.

Answer: A

Explanation: To be self-reliant means to take full responsibility for oneself, one's actions, and one's career. Individuals cannot count on their bosses to take care of them.

Difficulty: 2 Medium

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 99) Goodwill stemming from social relationships is called
- A) social empathy.
 - B) social capital.
 - C) emotional intelligence.
 - D) emotional capital.
 - E) social value.

Answer: B

Explanation: Social capital is the goodwill stemming from one's social relationships, and it can be mobilized on a person's behalf. It aids career success, compensation, employment, team effectiveness, successful entrepreneurship, and relationships with suppliers and other outsiders.

Difficulty: 1 Easy

Topic: Social Capital

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

- 100) When individuals view themselves as employees and expect their employers to tell them what to do and give them pay and benefits, those individuals are acting as
- A) self-reliant employees.
 - B) agents for social capital.
 - C) passive employees.
 - D) emotionally intelligent employees.
 - E) connected team members.

Answer: C

Explanation: When individuals view themselves as employees and expect their employers to tell them what to do and give them pay and benefits, their employers are in charge, and those individuals are passive recipients of its actions. Hence, they are considered passive employees.

Difficulty: 2 Medium

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

Scenario A. Luna is a manufacturer of fashion jewelry. The company has been operating for the past decade and is well known. When the CEO, Aimee, was asked by a local newspaper during an interview about the secret to her success, she stated that there were several reasons. She makes sure that the company always introduces new styles of jewelry to suit changes in tastes and stay a step ahead of her competitors, and the company offers its customers the best by using fine-quality semiprecious stones in artful settings. She also stated that the company's salespersons cater to customers individually to help them purchase jewelry appropriate for their personal style. Luna has its own exclusive website, which can be accessed anywhere in the world, and customers are promised that they will get what they order within 36 hours.

101) Which of the following success drivers of performance is Aimee using by constantly changing and introducing new jewelry styles to match the changing trends in the market and stay a step ahead of competitors?

- A) speed
- B) innovation
- C) quality
- D) service
- E) cost competitiveness

Answer: B

Explanation: Innovation is the introduction of new goods and services. Products don't sell forever; in fact, they don't sell for nearly as long as they used to because so many competitors are introducing so many new products all the time. Firms must innovate, or they will die.

Difficulty: 3 Hard

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

102) Which of the following fundamental success drivers of performance has Aimee achieved by ensuring that every customer has a salesperson to advise him or her while choosing jewelry?

- A) sustainability
- B) service
- C) quality
- D) cost competitiveness
- E) innovation

Answer: B

Explanation: Service is the speed and dependability with which an organization delivers what customers want. An important dimension of service quality is making it easy and enjoyable for customers to experience a service or to buy and use products.

Difficulty: 3 Hard

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

103) From Scenario A, it can be understood that Aimee is an example of a(n)

- A) strategic manager.
- B) frontline manager.
- C) operational manager.
- D) tactical manager.
- E) middle-level manager.

Answer: A

Explanation: Top-level managers are the senior executives of an organization and are responsible for its overall management. Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization.

Difficulty: 2 Medium

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

104) Which of the following skills is Aimee showing by taking the time to talk with the person interviewing her for the local newspaper?

- A) conceptual and decision skills
- B) monitoring skills
- C) interpersonal skills
- D) technical skills
- E) negotiating skills

Answer: C

Explanation: Interpersonal and communication skills influence a manager's ability to work well with people. These skills are often called people skills.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Scenario B. Eco Lawn Care Corp., a company that manufactures environmentally friendly lawn care products, has been operating as a business for a year. The CEO, Markus, started his venture by deciding on the activities that would be involved and what his goals and objectives for the business were. He then started to recruit professional chemists and other personnel and grouped them according to their responsibilities. Every month Markus conducts a meeting where he brings attention to those who are doing good work and motivates everyone to achieve organizational goals. He also checks the daily productivity of each of the workers, monitoring them and providing training to those with low productivity.

105) When Markus was deciding on the activities that would be involved in the business and establishing the goals and objectives, he was performing the _____ function of management.

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) staffing

Answer: A

Explanation: Planning is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. Plans set the stage for action and for major achievements.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

106) Markus monitors his employees and provides training to those who are performing poorly. In this case, which of the following functions of management is Markus performing?

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) decision making

Answer: D

Explanation: Controlling monitors performance and implements necessary changes. By controlling, managers make sure that the organization's resources are being used as planned and that the organization is meeting its goals, such as quality and safety.

Difficulty: 3 Hard

Topic: Controlling

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

107) By recognizing good performers and motivating them toward achieving organizational goals, Markus performs the _____ function of management.

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) decision making

Answer: C

Explanation: Leading is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups. Leading involves close day-to-day contact with people, helping to guide and inspire them toward achieving team and organizational goals.

Difficulty: 3 Hard

Topic: Leading

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

108) When Markus started recruiting professionals and other personnel and grouped them according to their job responsibilities, he was performing the _____ function of management.

- A) planning
- B) organizing
- C) leading
- D) controlling
- E) budgeting

Answer: B

Explanation: Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Organizing activities include attracting people to the organization, specifying job responsibilities, grouping jobs into work units, marshaling and allocating resources, and creating conditions so that people and things work together to achieve maximum success.

Difficulty: 3 Hard

Topic: Organizing

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Scenario C. Felipe is the manager of Pawlicious, a bakery that specializes in cookies for cats and dogs. As the manager of the bakery, he has many responsibilities. One day he holds a meeting where he informs the employees that the company must freeze wages for the next year. An agitated employee threatens to "make the company regret this," so Felipe asks the employee to leave immediately and makes sure that security personnel escort the employee off the premises. After the meeting, Felipe goes to meet one of the bakery's distributors to obtain information about possible new markets for the company's products. Then he represents the company at a dinner for the retiring bank officer who handled Pawlicious's account for many years. These are some of the roles that Felipe performs as a manager.

109) Which of the following roles was Felipe performing when he notified the employees of the upcoming wage freeze?

- A) negotiator
- B) liaison
- C) disseminator
- D) spokesperson
- E) entrepreneur

Answer: D

Explanation: A spokesperson speaks on behalf of the organization about plans, policies, actions (such as the pending layoff), and results. It is one of the informational roles of managers.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

110) Which of the following roles was Felipe performing when he dealt with the angry employee?

- A) monitor
- B) negotiator
- C) disturbance handler
- D) resource allocator
- E) liaison

Answer: C

Explanation: A disturbance handler is one who takes corrective action during crises or other conflicts, such as dealing with the angry employee. It is one of the decisional roles of managers.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

111) Which of the following roles was Felipe performing when he attended the retirement dinner for the bank officer?

- A) liaison
- B) figurehead
- C) spokesperson
- D) entrepreneur
- E) disturbance handler

Answer: B

Explanation: A figurehead performs symbolic duties such as attending ceremonies and serving other social and legal demands. It is one of the interpersonal roles of managers.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Scenario D. Luxe Slumber is a company that produces high-quality mattresses. Omar, the CEO, makes all the business deals for the company. He negotiates with suppliers and gets new customers and business for the company. Charles communicates his vision for the company and what he would like it to achieve to Ana, who lays out plans to make possible the execution of that vision. Ana delegates the work accordingly by communicating to the sales and production managers Omar's vision and what he requires of them. Irving, a floor manager, makes sure that the workers do their jobs at the required pace to meet the targets and goals of the company.

112) From Scenario D, it can be understood that Omar is a _____ manager.

- A) strategic
- B) frontline
- C) tactical
- D) operations
- E) administrative

Answer: A

Explanation: Top-level managers are the senior executives of an organization and are responsible for its overall management. Top-level managers, often referred to as strategic managers, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization.

Difficulty: 2 Medium

Topic: Top-Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

113) By creating objectives and communicating them to the rest of the organization, Ana is performing the function of a(n) _____ manager.

- A) strategic
- B) operations
- C) frontline
- D) tactical
- E) top-level

Answer: D

Explanation: Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers. Sometimes called tactical managers, they are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities.

Difficulty: 2 Medium

Topic: Middle Level Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

114) In Scenario D, Irving, the floor manager, is a _____ manager.

- A) strategic
- B) tactical
- C) middle
- D) top-level
- E) frontline

Answer: E

Explanation: Frontline managers, or operational managers, are lower-level managers who supervise the operations of the organization. These managers often have titles such as supervisor or sales manager. They are directly involved with nonmanagement employees, implementing the specific plans developed with middle managers.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

115) Which of the following management skills does Ana implement by communicating with the rest of the organization?

- A) interpersonal skills
- B) conceptual skills
- C) technical skills
- D) tactical skills
- E) decision-making skills

Answer: A

Explanation: Interpersonal and communication skills influence a manager's ability to work well with people. These skills are often called people skills.

Difficulty: 3 Hard

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

116) What are the four ongoing challenges that characterize the current business landscape? What is the potential impact of these challenges on business?

Answer: Student answers will vary, but should indicate accurate knowledge of the four ongoing challenges: globalization, technological change, knowledge management, and collaboration across boundaries. Globalization's impacts on business include the fact that corporations operate worldwide, transcending national borders. Companies that want to grow often need to tap international markets. The effects of technological change include the changes brought about by The Internet of Things, artificial intelligence, mobile applications, Big Data analytics, and cloud computing. Technology both complicates things and creates new opportunities. The challenges come from the rapid rate at which communication, transportation, information, and other technologies change. For example, after just a couple of decades of widespread desktop use, customers switched to laptop models, which require different accessories. Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources—fully using the intellects of the organization's people. Because companies in advanced economies have become so efficient at producing physical goods, most workers have been freed up to provide services or "abstract goods" such as software, entertainment, data, and advertising. These workers, whose primary contributions are ideas and problem-solving expertise, are often referred to as *knowledge workers*. Collaboration across boundaries ensures that people in different parts of the organization collaborate effectively with one another. This requires productive communications among different departments, divisions, or other subunits of the organization. For example, "T-shaped" managers break out of the traditional corporate hierarchy to share knowledge freely across the organization (the horizontal part of the T) while remaining committed to the bottom-line performance of their individual business units (the vertical part).

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

117) Write an essay on knowledge management. Give a suitable example.

Answer: Student answers will vary, but should indicate an accurate understanding of the concept of knowledge management. Knowledge management is the set of practices aimed at discovering and harnessing an organization's intellectual resources—fully using the intellects of the organization's people. Because companies in advanced economies have become so efficient at producing physical goods, most workers have been freed up to provide services or "abstract goods" such as software, entertainment, data, and advertising. These workers, whose primary contributions are ideas and problem-solving expertise, are often referred to as *knowledge workers*. Examples will vary but should address the ways in which knowledge managers find human assets, help people collaborate and learn, generate new ideas, and harness those ideas into successful innovations.

Difficulty: 2 Medium

Topic: Management

Learning Objective: 01-01 Summarize the major challenges of managing in the new competitive landscape.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

118) List and explain each of the six fundamental success drivers of performance.

Answer: Student answers will vary, but should indicate accurate knowledge of the six success drivers of performance: innovation, quality, service, speed, cost competitiveness, and sustainability. **Innovation** is the introduction of new goods and services. Your firm must adapt to changes in consumer demands and to new competitors. **Quality** is the excellence of your product. Customers expect high-quality goods and services, and often they will accept nothing less. **Service** means giving customers what they want or need, when they want it. It is focused on continually meeting the needs of customers to establish mutually beneficial long-term relationships. In the modern business environment, **speed**—rapid execution, response, and delivery—often separates the winners from the losers. **Cost competitiveness** means keeping costs low enough so that the company can realize profits and price its products (goods or services) at levels that are attractive to consumers. **Sustainability**, which at its most basic is the effort to minimize the use and loss of resources, especially those that are polluting and nonrenewable.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

119) Explain cost competitiveness and give reasons as to why a company has to worry about its cost competitiveness. Provide a suitable example.

Answer: Student answers will vary, but should indicate an accurate understanding of the concept of cost competitiveness. **Cost competitiveness** means keeping costs low enough so that the company can realize profits and price its products (goods or services) at levels that are attractive to consumers. Examples will vary but may address the idea that consumers can use the Internet to easily compare prices from thousands of competitors. Consumers looking to buy popular items, such as cameras, printers, and plane fares, can go online to research the best models and the best deals.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

120) Write an essay explaining why businesses are becoming increasingly concerned with sustainability.

Answer: Student answers will vary, but should indicate an accurate understanding of the concept of sustainability, which at its most basic is the effort to minimize the use and loss of resources, especially those that are polluting and nonrenewable. Examples may address the laws concerning sustainability, the idea of protecting our options, or the fact that efforts to cut energy waste are one way to achieve an important form of competitive advantage.

Difficulty: 2 Medium

Topic: Competitive Advantage

Learning Objective: 01-02 Describe the sources of competitive advantage for a company.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

121) Briefly describe each of the four key management functions.

Answer: Student answers will vary but should demonstrate accurate knowledge about the four key management functions: planning, organizing, leading, and controlling. **Planning** is specifying the goals to be achieved and deciding in advance the appropriate actions needed to achieve those goals. Planning activities include analyzing current situations, anticipating futures, determining objectives, deciding the types of activities in which the company will engage, choosing corporate and business strategies, and determining the resources needed to achieve the organization's goals. **Organizing** is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals. Organizing activities include attracting people to the organization, specifying job responsibilities, grouping jobs into work units, marshaling and allocating resources, and creating conditions so that people and things work together to achieve maximum success. **Leading** is stimulating people to be high performers. It includes motivating and communicating with employees, individually and in groups. Leading involves connecting directly with people, helping to guide and inspire them toward achieving team and organizational goals. Leading takes place in teams, departments, and divisions as well as at the tops of large organizations. **Controlling** involves monitoring performance and implementing necessary changes. By controlling, managers make sure the organization's resources are being used properly and that the organization is meeting its goals such as quality and worker safety.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-03 Explain how the functions of management are evolving in today's business environment.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

122) Discuss how you can use social capital in your future career.

Answer: Student answers will vary but should demonstrate an understanding of what social capital is and how it can enhance career goals. Social capital is the goodwill stemming from your social relationships, and you can mobilize it on your behalf. It aids career success, compensation, employment, team effectiveness, the success of new ventures, entrepreneurship, and relationships with suppliers and other outsiders. Today much of that social capital can be tapped online at social networking websites. Besides the social sites such as Facebook, some of these sites are aimed at helping people tap business networks. For example, LinkedIn has more than 467 million registered members worldwide, with total revenue from premium subscriptions, and marketing and talent solutions of \$960 million.

Difficulty: 2 Medium

Topic: Social Capital

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

123) Differentiate between the various management levels in an organization.

Answer: Student answers will vary but should demonstrate an accurate knowledge about the types of managers found at three broad organizational levels: top level, middle level, and frontline. Top-level managers are the senior executives of an organization and are responsible for its overall management. Top-level managers, often referred to as *strategic managers*, are supposed to focus on long-term issues and emphasize the survival, growth, and overall effectiveness of the organization. Middle-level managers are located in the organization's hierarchy below top-level management and above the frontline managers. Sometimes called *tactical managers*, they are responsible for translating the general goals and plans developed by strategic managers into more specific objectives and activities. Frontline managers are lower-level managers who supervise the operations of the organization. These managers often have titles such as *supervisor*, *team leader*, or *assistant manager*. They are directly involved with nonmanagement employees, implementing the specific plans developed with middle managers.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Understand

AACSB: Knowledge Application

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124) What is a frontline manager? List out the tasks, duties, and responsibilities of a frontline manager.

Answer: Frontline managers are lower-level managers who supervise the operations of the organization. These managers often have titles such as *supervisor*, *team leader*, or *assistant manager*. They are directly involved with nonmanagement employees, implementing the specific plans developed with middle managers. This role is critical in the organization because operational managers are the link between management and nonmanagement personnel. Managers on the front line are crucial to creating and sustaining quality, innovation, and other drivers of financial performance. In outstanding organizations, talented frontline managers are not only *allowed* to initiate new activities but are *expected* to by their top- and middle-level managers. And they are given freedom, incentives, and support to find ways to do so.

Difficulty: 2 Medium

Topic: Managerial Skills

Learning Objective: 01-04 Compare how the nature of management varies at different organizational levels.

Bloom's: Remember

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125) Identify and describe one decisional role, one informational role, and one interpersonal role that managers fulfill.

Answer: Student answers will vary but should demonstrate an accurate knowledge about the activities and roles that fall under each of these categories. Decisional roles include entrepreneurs, disturbance handlers, resource allocators and negotiators. Informational roles include monitors, disseminators and spokespeople. Interpersonal roles include leaders, liaisons, and figureheads.

In the decisional category, entrepreneurs search for new business opportunities and initiate new projects to create change; disturbance handlers take corrective action during crises and other conflicts; resource allocators provide funding and other resources to units or people; and negotiators engage in negotiations with parties outside the organization as well as inside (for example, resource exchanges).

In the informational category, monitors seek information to understand the organization and its environment, serving as the center of communication; disseminators transmit information from source to source, sometimes interpreting and integrating diverse perspectives; and spokespeople speak on behalf of the organization about plans, policies, actions, and results.

In the interpersonal category, leaders engage in activities such as staffing, developing, and motivating people; liaisons maintain a network of outside contacts that provide information and favors; and figureheads perform symbolic duties (for example, ceremonies) and serve other social and legal demands.

Difficulty: 2 Medium

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember; Understand

AACSB: Knowledge Application

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126) Discuss the various management skills in relation to their requirement at the various management levels.

Answer: Student answers will vary but should demonstrate accurate knowledge about technical skills, conceptual and decision-making skills, and interpersonal skills, and how their importance varies at different managerial levels. Examples may include the idea that technical skills are most important early in a career, conceptual and decision-making skills become more important as you rise higher in the company, and that interpersonal skills such as communicating effectively with customers and being a good team player are important at every level of management.

Difficulty: 1 Easy

Topic: Functional Management

Learning Objective: 01-05 Define the skills you need to be an effective manager.

Bloom's: Remember

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

127) Explain the importance of emotional intelligence.

Answer: Student answers will vary but should demonstrate an accurate understanding of emotional intelligence. Emotional intelligence means understanding yourself (including strengths and limitations), managing yourself (dealing with emotions, making good decisions, seeking and using feedback, exercising self-control), and dealing effectively with others (listening, showing empathy, motivating, leading, and so on). Examples may include the fact that executives who score low on EQ are less likely to be rated as excellent on their performance reviews, and their divisions tend not to perform as well, or the idea that EQ is a set of skills that can be learned and developed.

Difficulty: 2 Medium

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

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128) What does it mean to be self-reliant? What are the ways in which a person can be self-reliant? Give examples of professions that contain a large number of self-reliant people.

Answer: Student answers will vary but should demonstrate an accurate understanding of the concept of self-reliance. To be self-reliant means to take full responsibility for oneself and one's actions. Examples may focus on the idea that self-reliance means finding new ways to make one's overall performance better--through taking responsibility for change, being an innovator, looking for opportunities to contribute, and generating constructive change that strengthens the company and benefits customers and colleagues. Student examples may include small business owners or freelance writers.

Difficulty: 2 Medium

Topic: You and Your Career

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

129) State the two possible relationships an individual can have with their employer.

Answer: Relationship #1 is passive. The individual views themselves as an employee and passively expects their employer to tell them what to do and give them pay and benefits. Their employer is in charge, and they are a passive recipient of its actions. Their contributions are likely to be adequate but minimal—they won't make the added contributions that strengthen the organization, and if all organizational members take this perspective, the organization is not likely to be strong for the long run. Relationship #2 is an active, two-way relationship in which the individual and their organization derives a mutual benefit. The mind-set is different: Instead of doing what they are told, the employee thinks about how they can contribute—and acts accordingly. To the extent that the organization values their contributions, they are likely to benefit in return by receiving full and fair rewards, support for further personal development, and a more gratifying work environment.

Difficulty: 1 Easy

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Remember

AACSB: Knowledge Application

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130) State some of the common practices of successful executives.

Answer: Student answers will vary but should demonstrate an accurate understanding of the following practices. Successful managers ask, "What needs to be done?" not just "What do I want to do?" They write an action plan. They don't just think, they do, based on a sound, ethical plan. They take responsibility for decisions. This requires checking up, revisiting, and changing if necessary. They focus on opportunities, not just problems. Problems have to be solved, and problem solving prevents more damage, but capturing opportunities is what creates great results.

Difficulty: 1 Easy

Topic: Emotional Intelligence

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Remember

AACSB: Knowledge Application

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131) Explain why you should aim to be both a specialist and a generalist in your future career.

Answer: Student answers will vary but should demonstrate an accurate understanding of the idea that upward mobility in a company necessitates taking on greater responsibilities, dealing with more people, understanding more about other aspects of the organization, and making bigger and more complex decisions. To become a *specialist*, you should be an expert in something useful. This will give you specific skills that help you provide concrete, identifiable value to your organization and to customers. And over time, you should learn to be a *generalist*, knowing enough about a variety of subject matters so that you can think strategically and work with different perspectives.

Difficulty: 2 Medium

Topic: Specialization

Learning Objective: 01-06 Understand the principles that will help you manage your career.

Bloom's: Apply

AACSB: Reflective Thinking

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