**Chapter 1—The Changing Face of Business**

**MATCHING**

*Complete the following using these terms.*

|  |  |
| --- | --- |
| a. | outsourcing |
| b. | Diversity |
| c. | entrepreneur |
| d. | Competitive differentiation |
| e. | strategic alliance |
| f. | Capital |
| g. | vision |
| h. | factors of production |
| i. | brand |
| j. | Relationship management |
| k. | Not-for-profit organizations |
| l. | Business ethics |

1. \_\_\_\_\_ involves blending individuals of different genders, ethnic backgrounds, cultures, religions, ages, and physical and mental abilities in order to enhance a firm’s chances of success.

2. \_\_\_\_\_ refers to technology, tools, information, and physical facilities.

3. \_\_\_\_\_ is the unique combination of organizational abilities, products, and approaches that sets a company apart from competitors in the minds of consumers.

4. A partnership formed to create a competitive advantage for the businesses involved is known as a(n) \_\_\_\_\_.

5. A(n) \_\_\_\_\_ is a name, term, sign, symbol, design, or combination that identifies the products of one firm.

6. The ability to perceive future marketplace needs and what an organization can do to satisfy them is referred to as \_\_\_\_\_.

7. A person who seeks a profitable opportunity and then devises a plan to achieve that profit is called a(n) \_\_\_\_\_.

8. \_\_\_\_\_ is the collection of activities that build and maintain ongoing, mutually beneficial ties between a business and its customers and other parties.

9. To operate effectively, certain inputs called \_\_\_\_\_ are required for all economic systems.

10. \_\_\_\_\_ are businesslike establishments that have primary objectives other than returning profits to their owners.

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

12. A company that contracts with another business to perform functions previously handled by internal staff is participating in \_\_\_\_\_.

1. ANS: b DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB:Analytical thinking BT: K

2. ANS: f DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

3. ANS: d DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system AACSB: Analytical thinking BT: K

4. ANS: e DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

5. ANS: i DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

6. ANS: g DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

7. ANS: c DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

8. ANS: j DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

9. ANS: h DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

10. ANS: k DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

11. ANS: l DIF: MEDIUM LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: K

12. ANS: a DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

**ESSAY**

13. What is profit? Do you agree with the statement, “The success of a business is measured only by the profit it earns”? Explain your answer.

ANS:

Profit is the financial reward received by successful businesspeople who take the risks involved in blending people, technology, and information to create and market want-satisfying goods and services. In order to be successful in a private enterprise system, a business must earn a satisfactory profit; otherwise, the owners and investors will turn to more attractive opportunities. However, businesses today are expected to do more than earn a satisfactory profit—they also have social and ethical responsibilities. In other words, businesses must behave responsibly in their dealings with employees, customers, suppliers, the general public, and even with their competitors.

DIF: HARD LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: C

14. Describe technology as a capital source.

ANS:

Technology is a broad term that refers to such machinery and equipment as computers and software, telecommunications, and inventions designed to improve production. Information, frequently improved by technological innovations, is another critical factor because both managers and operating employees require accurate, timely information for effective performance of their assigned tasks. Technology plays an important role in the success of many businesses. Sometimes technology results in a new product, such as hybrid autos that run on a combination of gasoline and electricity. Most of the major car companies have introduced hybrid models in recent years.

DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: C

15. Explain how consumers benefit from business competition.

ANS:

Competition forces a business that wants to continue to be profitable to constantly find acceptable ways to satisfy customers’ needs. Customers benefit from new products, more services, and more economical strategies and operations that are continuously offered by firms as they strive for consumer acceptance. These tactics often bring lower prices, better quality, and more convenience to the customers. The ability to buy more raises the standard of living, increases demand, and subsequently creates more jobs.

DIF: HARD LO: 1.3 Section: Describe the private enterprise system . AACSB: Analytical thinking BT: C

16. List and describe the four basic rights in the private enterprise system.

ANS:

The right to private property guarantees every participant the right to own, use, buy, sell, and bequeath most forms of property. The right to profits ensures business owners the right to all profits (after taxes) they earn through their activities. Freedom of choice means that a private enterprise system relies on the potential for citizens to choose their own employment, purchases, and investments. Finally, the private enterprise system permits fair competition by allowing the public to set rules for competitive activity, including laws that prohibit “cutthroat” competition.

DIF: HARD LO: 1.3 Section: Describe the private enterprise system . AACSB: Analytical thinking BT: C

17. List the seven eras of business history. Name and describe the era used by businesses today.

ANS:

The seven eras are the Colonial period, the Industrial Revolution, the age of industrial entrepreneurs, the production era, the marketing era, the relationship era, and the social era. Today’s era, the social era, can be described as a new approach to the way businesses and individuals interact, connect, communicate, share, and exchange information with each other in virtual communities

and networks around the world.

DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: C

18. Explain the business approach used in the relationship era.

ANS:

In the relationship era, businesses are taking a different, longer-term approach to their interactions with customers. Firms now seek ways to actively nurture customer loyalty by carefully managing every interaction. They earn enormous paybacks for their efforts. A company that retains customers over the long haul reduces its advertising and sales costs. Because customer spending tends to accelerate over time, revenues also grow. Companies with long-term customers often can avoid costly reliance on price discounts to attract new business, and they find that many new buyers come from loyal customer referrals. Because it is much less expensive to serve existing customers than to find new ones, businesses that develop long-term customer relationships can reduce their overall costs. Long-term relationships with customers enable businesses to improve their understanding of what customers want and prefer from the company. As a result, businesses enhance their chances of sustaining real advantages through competitive differentiation.

DIF: HARD LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: C

19. Explain the difference between transaction management and relationship management.

ANS:

Building and promoting products with the hope that the sales will cover costs and earn an acceptable profit is known as transaction management. Actively promoting long-term relationships with customers by carefully managing each interaction is known as relationship management. Potential benefits of relationship management include higher revenues and lower marketing expenses.

DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: C

20. Briefly describe the Industrial Revolution and its contribution to the evolution of business.

ANS:

The Industrial Revolution began in England around 1750. It moved business operations from an emphasis on independent, skilled workers who specialized in building products one by one to a factory system that mass-produced items by bringing together large numbers of semiskilled workers. The factories profited from the savings created by large-scale production, bolstered by increasing support from machines over time. As businesses grew, they could often purchase raw materials more cheaply in larger lots than before. Specialization of labor, limiting each worker to a few specific tasks in the production process, also improved production efficiency.

Influenced by these events in England, business in the United States began a time of rapid industrialization. Agriculture became mechanized, and factories sprang up in cities. During the mid-1800s, the pace of the revolution was increased as newly built railroad systems provided fast, economical transportation. In California, for example, the combination of railroad construction and the gold rush fueled a tremendous demand for construction.

DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: C

21. Explain how e-business has created a new type of strategic alliance among companies.

ANS:

An e-business strategic alliance enables online companies, such as Amazon.com or Overstock.com, to work with traditional retail stores for the benefit of both companies. Traditional companies bring their merchandise and knowledge of distribution, and online companies provide increased opportunities for sales and additional return on their dollars.

DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Information technology BT: C

22. Describe how the aging population in the United States and abroad directly affect changes in the workforce.

ANS:

Employers must deal with issues such as retirement, disability programs, retraining, and insurance benefits. Additionally, teenagers are entering the workforce sooner, and some seniors are staying longer or seeking new careers after retiring from their primary careers.

DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: C

23. What are the advantages of a diverse workforce?

ANS:

Studies show that diverse employee teams and workforces tend to perform tasks more effectively and develop better solutions to business problems than homogeneous employee groups. Also, a diverse workforce may improve management’s understanding of customer needs and relationships with consumer groups.

DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Diverse and multicultural work environments BT: C

24. Describe offshoring and its related trends.

ANS:

Offshoring is the relocation of business processes to lower-cost locations overseas. This can include both production and services. In recent years, China has emerged as a dominant location for production offshoring for many firms, while India has become the key player in offshoring services. Some U.S. companies are now structured so that entire divisions or functions are developed and staffed overseas—the jobs were never in the United States to start with.

DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: C

25. Explain the new employer–employee relationship in business.

ANS:

Many firms now recognize the value of a partnership with employees that encourages creative thinking, problem solving, and innovation. Employees are no longer likely to remain with a single company throughout their entire careers and do not necessarily expect lifetime loyalty from the companies they work for. They do not expect to give that loyalty either. Instead, they build their own careers however and wherever they can.

DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing AACSB: Analytical thinking BT: C

26. Define the term vision. Why is vision an important skill today?

ANS:

Vision is the ability to perceive marketplace needs and what an organization must do to satisfy them. Vision and the ability to turn ideas into action enhance a firm’s chances of success.

DIF: EASY LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

27. Describe critical thinking and creativity and explain why they are important qualities for the 21st-century manager.

ANS:

Critical thinking is the ability to analyze and assess information to pinpoint problems or opportunities. The critical-thinking process includes activities such as determining the authenticity, accuracy, and worth of information, knowledge, and arguments. It involves looking beneath the surface for deeper meaning and connections that can help identify critical issues and solutions. Without critical thinking, a firm may encounter serious problems. Creativity is the capacity to develop novel solutions to perceived organizational problems. Although most people think of it in relation to writers, artists, musicians, and inventors, that is a very limited definition. In business, creativity refers to the ability to see better and different ways of doing business. A computer engineer who solves a glitch in a software program is executing a creative act.

DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: C

28. What are some examples of external and internal forces that would require a manager to lead organizational change?

ANS:

External forces might include feedback from customers, developments in the international marketplace, economic trends, and new technologies. Internal factors might arise from new company goals, emerging employee needs, labor union demands, or production problems.

DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: C

29. Explain how business ethics differs from social responsibility.

ANS:

Business ethics refers to the standards of conduct and moral values involving right and wrong actions in the work environment. Social responsibility is the set of actions taken by an organization that leads to social and economic benefits to society as a whole, such as supporting charitable organizations and protecting the environment.

DIF: MEDIUM LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: C

**MULTIPLE CHOICE**

30. Which of the following are primarily organized for profit and provide goods and services?

|  |  |
| --- | --- |
| a. | Businesses |
| b. | Public schools |
| c. | Government |
| d. | Churches |

ANS: a DIF: EASY LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

31. Which of the following statements is NOT true regarding businesses?

|  |  |
| --- | --- |
| a. | Successful businesses seek to meet their social and ethical responsibilities. |
| b. | Businesses provide goods and services necessary to an economic system. |
| c. | Businesses are the economic pulse of a nation. |
| d. | Businesses are nonprofit organizations that provide services to the public. |

ANS: d DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: C

32. In accounting terms, profits are \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | the difference between revenues and expenses |
| b. | the sum of commissions earned and receipts |
| c. | the difference between sales and expenses |
| d. | the sum of sales and expenses |

ANS: a DIF: EASY LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

33. In the U.S. economy, \_\_\_\_\_ are considered the reward for the risk of entering a business.

|  |  |
| --- | --- |
| a. | revenues |
| b. | concessions |
| c. | profits |
| d. | sales |

ANS: c DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Ethical understanding and reasoning BT: K

34. \_\_\_\_\_ are essential because it serves as a primary incentive for people to start companies, expand them, and provide consistently high-quality competitive goods and services.

|  |  |
| --- | --- |
| a. | Coupons |
| b. | Profits |
| c. | Discounts |
| d. | Rebates |

ANS: b DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

35. All of the following are typically part of the not-for-profit sector **EXCEPT** \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | labor unions |
| b. | religious organizations |
| c. | hotels |
| d. | museums |

ANS: c DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

36. Which of the following is a public sector, not-for-profit organization?

|  |  |
| --- | --- |
| a. | Library |
| b. | Museum |
| c. | Charitable group |
| d. | Labor union |

ANS: d DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

37. The Gyvenopolis County Library provides a wide variety of library services to its neighborhood. It also provides free online support to its members, and any fee collected from its members goes directly to charity. The library is an example of a(n) \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | not-for-profit organization |
| b. | corporate organization |
| c. | offshore unit |
| d. | business conglomerate |

ANS: a DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Application of knowledge BT: AP

38. The factors of production in an economic system are \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | land, rent, capital, and human resources |
| b. | capital, perseverance, natural resources, and human resources |
| c. | rent, wages, interest, and profit |
| d. | natural resources, human resources, capital, and entrepreneurship |

ANS: d DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: C

39. Timber Trails, a northwest lumber company, utilizes \_\_\_\_\_ as its primary production factor.

|  |  |
| --- | --- |
| a. | human resources |
| b. | Entrepreneurship |
| c. | Capital |
| d. | natural resources |

ANS: d DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production AACSB: Analytical thinking BT: K

40. Technology, tools, information, and physical facilities for the operation of a business are examples of \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | profits |
| b. | wages |
| c. | capital |
| d. | liability |

ANS: c DIF: EASY LO: 1.2 Section: Identify and describe the factors of production. AACSB: Information technology BT: K

41. A company that values employees as sources of ideas and innovation is utilizing its \_\_\_\_\_.

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

ANS: d DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Information technology BT: C

42. The human resources of a firm refers to \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | household consumers |
| b. | everyone who works for the business |
| c. | full-time employees |
| d. | top management executives |

ANS: b DIF: EASY LO: 1.2 Section: Identify and describe the factors of production. AACSB: Information technology BT: K

43. Dizzel Inc. is a small-scale mining company that started its business in 2001. By the year 2008, the firm had to close its operations. The company had been continuously laying off its employees since 2006, which led to the further downsizing of the firm. The decline in the availability of minerals in its operating region since 2004 has contributed vastly to its downfall and also reduced the need to inject new capital since then. Which of the following factors of production has primarily caused the firm to end its operations?

|  |  |
| --- | --- |
| a. | Natural resources |
| b. | Capital |
| c. | Human resources |
| d. | Entrepreneurship |

ANS: a DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Application of knowledge BT: AP

44. Tarek, a former middle manager from Alexander Manufacturing, owns and operates a Subway franchise. Tarek is demonstrating \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | social responsibility |
| b. | socialism |
| c. | entrepreneurship |
| d. | pure competition |

ANS: c DIF: MEDIUM LO: Section: Describe the private enterprise system AACSB: Analytical thinking BT: C

45. Businesses that operate in an environment where success or failure is determined by how well they match and counter the offerings of competitors are operating under \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | the private enterprise system |
| b. | a social democracy |
| c. | a monopoly |
| d. | state ownership |

ANS: a DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: C

46. Capitalism is founded on \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | the social changes that followed the Industrial Revolution |
| b. | the idea that 80 percent of a nation’s wealth should be owned by no more than 20 percent of its people |
| c. | the principles of a private enterprise system |
| d. | the idea that government must own all factors of production |

ANS: c DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: C

47. In his book The Wealth of Nations, the economist Adam Smith was the first person to describe \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | socialism |
| b. | communism |
| c. | capitalism |
| d. | entrepreneurship |

ANS: c DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

48. By offering a lifetime warranty on its products, Warner Electronics has set itself apart from its competitors. This difference is known as Warner Electronics’ \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | private enterprise system |
| b. | competitive differentiation |
| c. | capitalism |
| d. | checkoff |

ANS: b DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: C

49. When Greenlawn Inc. finds itself losing contracts because Instillite Inc. charges less money, Greenlawn responds by lowering its bids. According to Adam Smith, this reaction demonstrates \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | the invisible hand of competition |
| b. | collision |
| c. | the right to private property |
| d. | social responsibility |

ANS: a DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: C

50. Namesh recently sold his Ford Taurus to a personal friend. Namesh’s sale of his automobile illustrates the right to \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | freedom of choice |
| b. | private property |
| c. | profit making |
| d. | set ground rules for competitive activity |

ANS: b DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

51. All of the following are basic rights within a private enterprise system **EXCEPT** \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | right to private property |
| b. | right to profits before tax deduction |
| c. | freedom of choice of investment |
| d. | freedom of choice of employment |

ANS: b DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

52. The right to profit means that the \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | owner is legally guaranteed the right to all profits (after taxes) that are earned by a business |
| b. | right to such profits without any form of deduction |
| c. | government will guarantee a profit |
| d. | firm has to earn only profits |

ANS: a DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: C

53. Which of the following is considered to be the most fundamental right of the private enterprise system?

|  |  |
| --- | --- |
| a. | The right to private property |
| b. | The right to guaranteed profits |
| c. | The right to exercise price discrimination |
| d. | The right to fair competition |

ANS: a DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

54. Which of the following statements is true about the private enterprise system? \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | private property |
| b. | credit |
| c. | profit |
| d. | freedom of choice |

ANS: d DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: C

55. All of the following are rights granted to citizens and to the government in a private enterprise system **EXCEPT** the right to \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | fair competition |
| b. | permit price discrimination |
| c. | select from among a variety of goods and services |
| d. | own property |

ANS: b DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

56. Which of the following is a benefit of entrepreneurship?

|  |  |
| --- | --- |
| a. | Low risk |
| b. | Flexibility |
| c. | Guaranteed profit |
| d. | Reduced competition |

ANS: b DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

57. Ingle is a new recruit at an IT firm. He feels that his compensation is below industry standards, and his colleagues at other firms urge him to switch his employment with a company that pays a better salary. Instead of changing his job, he forms a trade union to ensure fair wages in the firm. Which of the following rights has Ingle exercised?

|  |  |
| --- | --- |
| a. | Right to private property |
| b. | Right to competition |
| c. | Right to profits |
| d. | Right to freedom of choice |

ANS: d DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Application of knowledge BT: AP

58. In colonial society, the economic focus was centered on \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | metropolitan areas |
| b. | areas west of the Mississippi River |
| c. | rural areas |
| d. | cities |

ANS: c DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

59. The Industrial Revolution in England transformed America’s economy by introducing \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | the concept of each worker producing one complete product |
| b. | the concept labor unions |
| c. | the factory system |
| d. | the continuously moving assembly line |

ANS: c DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: C

60. The American Industrial Revolution did not make real progress until \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | a railroad system was built, providing fast, economical transportation |
| b. | a good relationship was formed with England |
| c. | an introduction of the automobile occurred |
| d. | a reliable system of telephonic communication was established |

ANS: a DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: C

61. Inventors such as Robert McCormick and Eli Whitney were part of the \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | marketing era |
| b. | colonial era |
| c. | marketing era |
| d. | age of industrial entrepreneurs |

ANS: d DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

62. Henry Ford is noted in business history for introducing the moving assembly line, which greatly reduced the cost of producing a car. Assembly lines first became common during the \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | relationship era |
| b. | marketing era |
| c. | era of industrial revolution |
| d. | production era |

ANS: d DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

63. Which of the following **BEST** distinguishes the philosophy of the marketing era from the philosophy of the production era?

|  |  |
| --- | --- |
| a. | The marketing era was more consumer oriented. |
| b. | The production era occurred after World War II. |
| c. | The marketing era advocated price discrimination. |
| d. | The production era was more consumer oriented. |

ANS: a DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. 3 AACSB: Reflective thinking BT: C

64. The business philosophy that advocates determining what consumers want and need, and then designing products to satisfy those needs, is known as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | consumer orientation |
| b. | self-sufficiency |
| c. | work ethics |
| d. | production enhancement |

ANS: a DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

65. The concept of branding first emerged during the \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | production era |
| b. | relationship era |
| c. | age of the industrial entrepreneur |
| d. | marketing era |

ANS: d DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

66. Blogs and social networking use \_\_\_\_\_ to manage relationships.

|  |  |
| --- | --- |
| a. | strategic alliances |
| b. | marketing research analyses |
| c. | technology |
| d. | business etiquette |

ANS: c DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Information technology BT: K

67. Which of the following is most likely to result from the use of technology in a firm?

|  |  |
| --- | --- |
| a. | Reduced production |
| b. | Guaranteed profits |
| c. | Hybrid products |
| d. | Business inefficiency |

ANS: d DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Information technology BT: K

68. Concentrating on building and promoting products in hopes that enough customers will buy them in order to cover costs and earn acceptable profits is called \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | relationship management |
| b. | marketing management |
| c. | decoy effect |
| d. | transaction management |

ANS: d DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

69. Nurturing customer loyalty by gathering knowledge of customer needs and preferences is an approach known as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | relationship management |
| b. | transaction management |
| c. | financial management |
| d. | marketing management |

ANS: a DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

70. A partnership is \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | a category of relationship management |
| b. | an affiliation of two or more companies |
| c. | outside the scope of e-business management |
| d. | helpful in eliminating competitive advantage |

ANS: b DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

71. Apple iPods sold on Amazon’s Web site signify the formation of a \_\_\_\_\_ to increase profits.

|  |  |
| --- | --- |
| a. | transaction alliance |
| b. | brand partnership |
| c. | strategic alliance |
| d. | marketing agreement |

ANS: c DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business AACSB: Analytical thinking BT: C

72. Evlis uses a weblog to sell his products. His blog has generated massive sales for his products. His capital expenditure was the lowest in comparison to most of the other online firms. Which of the following eras is he most likely to be originating from?

|  |  |
| --- | --- |
| a. | Production era |
| b. | Social era |
| c. | Industrial era |
| d. | Marketing era |

ANS: b DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Application of knowledge BT: AP

73. Which of the following statements is **NOT** correct?

|  |  |
| --- | --- |
| a. | Workers change jobs less frequently today. |
| b. | The size of the labor pool is decreasing. |
| c. | The U.S. population is getting older. |
| d. | The U.S. population is becoming more diverse. |

ANS: a DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: C

74. The number of people of ages 65 and over will \_\_\_\_\_ by 2030.

|  |  |
| --- | --- |
| a. | decrease drastically |
| b. | double |
| c. | increase |
| d. | remain constant |

ANS: b DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

75. Diverse employee teams tend to perform \_\_\_\_\_ and develop \_\_\_\_\_ than do homogeneous employee groups.

|  |  |
| --- | --- |
| a. | less effectively; better solutions |
| b. | more effectively; better solutions |
| c. | less effectively; worse solutions |
| d. | more effectively; worse solutions |

ANS: b DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Diverse and multicultural work environments BT: C

76. Outsourcing usually \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | reduces the diversity of the workforce |
| b. | makes a firm more competitive |
| c. | increases staffing requirements |
| d. | increases costs |

ANS: b DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

77. When a business employs an outside company to handle all customer correspondence and phone calls, the business is \_\_\_\_\_ its customer service department.

|  |  |
| --- | --- |
| a. | outsourcing |
| b. | branding |
| c. | cybersquatting |
| d. | shrinking |

ANS: a DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: C

78. When Google opened offices in Tokyo, London, and Sydney, it was utilizing \_\_\_\_\_ by relocating business activities to lower-cost locations overseas.

|  |  |
| --- | --- |
| a. | nearshoring |
| b. | cybersquatting |
| c. | offshoring |
| d. | employee sourcing |

ANS: c DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. 8 AACSB: Analytical thinking BT: C

79. Which of the following generations is usually associated with the work-comes-first lifestyle?

|  |  |
| --- | --- |
| a. | Baby Boomers |
| b. | Generation X |
| c. | Generation Y |
| d. | [Millennials](https://www.google.co.in/search?rlz=1C2GGGE___IN538IN539&biw=1366&bih=667&q=millennials&spell=1&sa=X&ei=7rz6U9vlCcmyuATW-YCYBw&ved=0CBgQvwUoAA) |

ANS: a DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: C

80. The new employer-employee partnership has led to all of the following **EXCEPT** \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | increased job security |
| b. | sharing of financial information with employees |
| c. | increased emphasis on listening to and respecting employees |
| d. | helping employees improve skills and knowledge |

ANS: a DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

81. When a U.S. company contracts work to a company inMexico, it is \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | nearshoring |
| b. | nearsourcing |
| c. | exporting |
| d. | offshoring |

ANS: a DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Written and oral communication BT: C

82. Winzer Corp. a multinational corporation located in Los Angeles is planning to relocate its operations in Southern Asia. The firm has identified that the labor cost and technology available in the region would ensure optimum performance of its business operations. Which of the following strategies has Winzer Corp. adopted?

|  |  |
| --- | --- |
| a. | Exporting |
| b. | Offshoring |
| c. | Nearshoring |
| d. | Licensing |

ANS: b DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Application of knowledge BT: AP

83. Which of the following is given the **LEAST** importance by managers of today?

|  |  |
| --- | --- |
| a. | The ability to work by strict rules |
| b. | The ability to envision the firm’s future |
| c. | The ability to think critically |
| d. | The ability to be creative |

ANS: a DIF: EASY LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: C

84. \_\_\_\_\_ is the ability to perceive marketplace needs and what an organization must do to satisfy these needs.

|  |  |
| --- | --- |
| a. | Critical thinking |
| b. | Social responsibility |
| c. | Vision |
| d. | Creativity |

ANS: c DIF: EASY LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

85. Emily works for a pharmaceutical company and gives a presentation on the need to expand the company’s geriatric division within the next 10 years. Emily is focussing primarily on establishing the company’s \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | morales |
| b. | ethics |
| c. | vision |
| d. | codes |

ANS: c DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Reflective thinking BT: C

86. In business, \_\_\_\_\_ refers to the ability to see better and different ways of doing business.

|  |  |
| --- | --- |
| a. | critical thinking |
| b. | social responsibility |
| c. | creativity |
| d. | vision |

ANS: c DIF: EASY LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

87. When 3M managers decided to manufacture Post-it ® notes, a new product was born. This was an example of \_\_\_\_\_ in action.

|  |  |
| --- | --- |
| a. | critical-thinking skills |
| b. | vision |
| c. | social responsibility |
| d. | creativity |

ANS: d DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: C

88. Alejandro is seeking to revitalize his graphic design company with new innovations and has called for a brainstorming meeting with his top designers. Alejandro is \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | enacting his company’s vision |
| b. | improving his productivity |
| c. | thinking critically |
| d. | utilizing his creativity |

ANS: d DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Application of knowledge BT: AP

89. Feedback from customers is an example of a(n) \_\_\_\_\_ that requires organizational change.

|  |  |
| --- | --- |
| a. | internal force |
| b. | external force |
| c. | change agent |
| d. | marketing issue |

ANS: b DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

90. Which of the following is **NOT**an example of an internal force that requires organizational change?

|  |  |
| --- | --- |
| a. | Labor union demands |
| b. | Production problems |
| c. | New technologies |
| d. | New company goals |

ANS: c DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: C

91. \_\_\_\_\_ refers to standards of conduct and moral values of a firm.

|  |  |
| --- | --- |
| a. | Creativity |
| b. | Business ethics |
| c. | A social audit |
| d. | A social responsibility |

ANS: b DIF: EASY LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: K

92. “Newman’s Own” is a food product line that gives 100 percent of its after-tax profits to charity. This company is \_\_\_\_.

|  |  |
| --- | --- |
| a. | evaluating its business ethics |
| b. | enacting upon its social responsibility |
| c. | creating customer satisfaction |
| d. | using creativity to promote sales |

ANS: b DIF: MEDIUM LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: C

93. When management adheres to a set of standards involving the right and wrong actions arising in the work environment, the management is \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | enacting upon its social responsibility |
| b. | following its business ethics |
| c. | working towards social welfare |
| d. | using creativity to encourage team spirit |

ANS: b DIF: EASY LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: K

94. When a company’s management decisions align with social and economic issues, the company is \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | using creativity to ensure sustained growth |
| b. | following its business ethics |
| c. | working towards social welfare |
| d. | enacting upon its social responsibility |

ANS: d DIF: EASY LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: K

95. Social responsibility would include all of the following **EXCEPT** \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | supporting the local United Way |
| b. | buying goods and services from minority-owned vendors |
| c. | making campaign contributions to politicians in the hope of obtaining a government contract |
| d. | making contributions to the local public radio station |

ANS: c DIF: MEDIUM LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: C

**TRUE/FALSE**

96. Large corporations are defined as businesses, whereas small companies are more of an investment.

ANS: F DIF: EASY LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

97. Companies are not required to be ethical to succeed in the long run.

ANS: F DIF: EASY LO: 1.1 Section: Define what is business. AACSB: Ethical understanding and reasoning BT: K

98. In order to remain viable, not-for-profit organizations need to focus on profits even more than the public service they provide.

ANS: F DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Ethical understanding and reasoning BT: K

99. Just as with a for-profit business, the first priority for a not-for-profit organization is making a profit.

ANS: F DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

100. Not-for-profit organizations are commonly exempt from federal, state, and local taxes.

ANS: T DIF: MEDIUM LO: 1.1 Section: Define what is business. AACSB: Analytical thinking BT: K

101. All factors of production are found in equal amounts in all businesses.

ANS: F DIF: EASY LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

102. Capital usually includes entrepreneurs, buildings, and human resources.

ANS: F DIF: EASY LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

103. Natural resources are linked to the factor payment of rent.

ANS: T DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

104. Technology is considered to be a form of capital.

ANS: T DIF: EASY LO: 1.2 Section: Identify and describe the factors of production. AACSB: Information technology BT: K

105. Technology and capital are considered as two separate factors of production.

ANS: F DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Information technology BT: K

106. When farmers rent land in order to increase crop production, they are acquiring capital.

ANS: F DIF: EASY LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

107. Entrepreneurship is synonymous with “risk-taking.”

ANS: T DIF: MEDIUM LO: 1.2 Section: Identify and describe the factors of production. AACSB: Analytical thinking BT: K

108. The private enterprise system encourages government intervention.

ANS: F DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

109. The private enterprise system is enhanced by maximized government participation.

ANS: F DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

110. Adam Smith’s “invisible hand” refers to the battle among businesses for consumer acceptance.

ANS: T DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

111. The private enterprise system is also referred to as capitalism.

ANS: T DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

112. The right to private property is considered the most basic right in the private enterprise system.

ANS: T DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

113. When customers enter a supermarket and select their favorite brand of laundry detergent, they are exercising their right to freedom of choice.

ANS: T DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

114. When government sets ground rules for competitive activity, the intent is to reduce “cutthroat” competition.

ANS: T DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

115. In the private enterprise system, government has no role to play in ensuring fair competition.

ANS: F DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

116. Competitive differentiation is discouraged for a business to be successful.

ANS: F DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

117. Finding unique ways to use the factors of production is a common characteristic of most entrepreneurs.

ANS: T DIF: MEDIUM LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

118. Entrepreneurs are very conservative and usually invest only in sure winners.

ANS: F DIF: EASY LO: 1.3 Section: Describe the private enterprise system. AACSB: Analytical thinking BT: K

119. During the era of Industrial Revolution, the focus was on agriculture and other rural activities.

ANS: F DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

120. The Industrial Revolution began in Germany and quickly spread to the rest of Europe.

ANS: F DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

121. The Industrial Revolution introduced a strong emphasis on the factory system.

ANS: T DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

122. One factor that led to the Industrial Revolution was the mechanization of agriculture.

ANS: T DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

123. A key element of the production era was the use of consumer research.

ANS: F DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

124. Assembly lines were introduced during the production era.

ANS: T DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

125. In consumer orientation, a company creates a product first and then determines if a consumer is likely to purchase the product.

ANS: F DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

126. The Nike swoosh is an example of a brand.

ANS: T DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

127. The current philosophy among managers today is best described as transaction management.

ANS: F DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

128. Transaction management was introduced during the era of Industrial Revolution.

ANS: F DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Information technology BT: K

129. Technology has revolutionized business communications.

ANS: T DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Information technology BT: K

130. Relationship management refers to ongoing, mutually beneficial ties between an organization and its customers.

ANS: T DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Information technology BT: K

131. It is predicted that technology will completely eliminate all cubicle jobs.

ANS: F DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Information technology BT: K

132. Relationship management concentrates on short-term interactions with customers.

ANS: F DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

133. The number of companies forming partnerships and strategic alliances has grown in recent years.

ANS: T DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

134. Amazon is an example of a successful e-business.

ANS: T DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Information technology BT: K

135. If Motorola and Microsoft work on developing a new cell phone that also is a PDA, then such a merger would be an example of a strategic alliance.

ANS: T DIF: MEDIUM LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

136. The need to develop environmentally friendly products and processes is becoming a major new force in business today.

ANS: T DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. AACSB: Analytical thinking BT: K

137. A strategic alliance is a partnership formed to create a competitive advantage for the businesses involved.

ANS: T DIF: EASY LO: 1.4 Section: Identify the seven eras in the history of business. 5 AACSB: Analytical thinking BT: K

138. Managers are beginning to recognize the different needs of workers of different ages.

ANS: T DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. 6 AACSB: Analytical thinking BT: K

139. During the next few years, the average age of the workforce is expected to increase.

ANS: T DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

140. The supply for jobs is slowly becoming greater than the demand for workers.

ANS: F DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

141. Hispanics and Asians represent the fastest-growing segments of the U.S. population.

ANS: T DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

142. Research indicates that work teams consisting of a diverse group of individuals often are more productive than less diverse work teams.

ANS: T DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Diverse and multicultural work environments BT: K

143. Even with advances in management and communications, manufacturing still accounts for most of the annual output in the United States.

ANS: F DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

144. Outsourcing is the use of outside vendors to produce goods or fulfill services and functions that were previously handled in-house or in-country.

ANS: T DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

145. Today, workers are much less likely to remain with the same employer throughout their entire careers.

ANS: T DIF: EASY LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

146. The new employer–employee relationship requires firms to establish rigid rules to govern employee activities.

ANS: F DIF: MEDIUM LO: 1.5 Section: Explain how today’s business workforce and the nature of work itself is changing. AACSB: Analytical thinking BT: K

147. The managerial quality of vision is the ability to perceive marketplace needs and what an organization must do to satisfy them.

ANS: T DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

148. Critical thinking skills and creativity are essential qualities for today’s managers.

ANS: T DIF: EASY LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

149. In business, creativity refers to the ability to see better and different ways of doing business..

ANS: T DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

150. Creativity is the capacity to develop well-tested solutions to common organizational problems.

ANS: F DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

151. Physical exercise releases endorphins, which can help a manager come up with creative ideas.

ANS: T DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. 1 AACSB: Analytical thinking BT: K

152. Mental exercises like brainstorming often foster creativity.

ANS: T DIF: EASY LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

153. Feedback from customers is an example of an internal force that would require change.

ANS: F DIF: MEDIUM LO: 1.6 Section: Identify the skills and attributes needed for the 21st-century manager. AACSB: Analytical thinking BT: K

154. Business ethics deal with the right versus wrong actions that arise in a work environment.

ANS: T DIF: EASY LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: K

155. Participating in nonprofit programs is an example of exhibiting social responsibility.

ANS: T DIF: EASY LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: K

156. By supporting local charities, a firm is demonstrating social responsibility.

ANS: T DIF: EASY LO: 1.7 Section: Outline the characteristics that make a company admired. AACSB: Ethical understanding and reasoning BT: K