

Chapter 6 The Nature of Management

True/False Questions

1) Management takes place only in business settings.

True False

2) For any company, owners and shareholders are the only sources of primary funding.

True False

3) Planning involves forecasting events and determining the best course of action from a set of options or choices.

True False

4) Objectives, the ends or results desired by an organization, derive from the organization's planning.

True False

5) Laini noticed that one of the sales divisions wasn't performing as well as the others, so she called a meeting of the district managers to determine what the problem was and what could be done about it. Laini was performing the management function of controlling.

True False

6) Top-level managers make an organization's strategic decisions that focus on a key idea for using resources in order to take advantage of opportunities.

True False

7) Diversity tends to be good for workers but not for the bottom line.

True False

8) Technical skills are most needed by top-level managers and are least needed by first-line managers.

True False

9) Authentic leaders form long-term relationships with stakeholders.

True False

10) The first step in the decision-making process is developing options to resolve a situation.

True False

Multiple Choice Questions

11) _____ make decisions about the use of an organization's resources and are concerned with planning, organizing, directing, and controlling the organization's activities.

- A) Managers
- B) Shareholders
- C) Creditors
- D) Consumers
- E) Suppliers

12) Gwendolyn manages a resort boutique. Her goal is to run this business in such a way that she achieves the desired result, providing her customers with the items they need to enjoy their vacation. Thus, her primary managerial concern is

- A) efficiency.
- B) effectiveness.
- C) standardization.
- D) innovation.
- E) expertise.

13) If a manager is concerned about accomplishing the work with the least cost and waste possible, then his or her primary managerial concern is

- A) efficiency.
- B) effectiveness.
- C) delegation.
- D) hiring.
- E) expertise.

14) Marilyn is a manager at a large accounting firm. The firm is expanding, and she is tasked with hiring more people to carry out the organization's increased workload. She must determine all of the following items EXCEPT

- A) what skills are needed for specific jobs.
- B) how much to pay.
- C) how to motivate and train employees.
- D) which employees to replace with new candidates.
- E) what benefits to provide.

15) Hiring people to carry out the work of an organization is known as

- A) factoring.
- B) bartering.
- C) staffing.
- D) controlling.
- E) directing.

16) Nathan is a manager at a company that has made the difficult decision to downsize. After his company eliminated 100 employees, what must Nathan do to effectively manage his remaining employees and help them through the situation?

- A) promote optimism and positive thinking
- B) commiserate with his employees
- C) make sure his employees know that the company, not him, is to blame
- D) encourage his employees to look for employment elsewhere
- E) give his remaining employees expensive gifts to encourage them to stay

17) The Furniture House, a large furniture company, wants to make sure its products are always available to customers. Since this company sells many products, including beds, patio sets, dining room tables and chairs, couches and recliners, tables, dressers, rugs, and decorative accents, it will need many diverse _____ to provide goods while maximizing efficiencies and providing creative solutions to help the company reduce expenses and reach its objectives.

- A) customers
- B) managers
- C) investors
- D) locations
- E) suppliers

18) Managers need adequate _____ resources to pay for essential activities.

- A) human
- B) intangible
- C) financial
- D) non-renewable
- E) biological

19) To earn a profit, managers must acquire, coordinate, and control all of the following resources EXCEPT

- A) competitive products.
- B) people.
- C) services.
- D) money.
- E) raw materials and equipment.

20) Determining an organization's objectives and deciding how to accomplish them is which management function?

- A) planning
- B) nearshoring
- C) staffing
- D) crowdsourcing
- E) factoring

21) Melanie is one of the senior managers in the consumer electronics department of a large company. She is part of a team that determines the objectives of the department based on future

trends in the industry and decides how to accomplish them. Melanie is involved in the management function of

- A) staffing.
- B) recruiting.
- C) planning.
- D) crowdsourcing.
- E) factoring.

22) What is the first function of management?

- A) planning
- B) crowdsourcing
- C) staffing
- D) factoring
- E) directing

23) Megan manages an online clothing store. She must determine what her company's warehouses and distributing facilities need and which type of automation can maximize order efficiency. What major phase of the planning process does this example describe?

- A) data gathering
- B) event forecasting
- C) objective setting
- D) action taking
- E) option selecting

24) A plan specifies all of the following EXCEPT

- A) what should be done.
- B) who should complete the tasks.
- C) how the tasks should be completed.
- D) why the tasks should be completed.
- E) when the tasks should be completed.

25) Before an organization can plan a course of action, it must first

- A) take corrective action.
- B) develop a blueprint of the plan.
- C) decide on the people to be involved in the plan.
- D) determine what it wants to achieve.
- E) allocate and organize the required resources.

26) A declaration of an organization's fundamental purpose and basic philosophy is known as

- A) protocol.
- B) the mission.
- C) a referendum.
- D) an agenda.
- E) the target.

27) Carrie started her own catering business. She created a website for her business which states

that her purpose is to provide her customers with delicious food at a fair price. This declares her

- A) protocol.
- B) mission.
- C) referendum.
- D) agenda.
- E) target.

28) Cameron started his own photography business. He wants to write a good mission statement that explains his company's reason for existence. What is one guideline he should follow in writing his mission statement?

- A) It should be long and include complex details.
- B) It should be written in technical industry jargon.
- C) It should answer every question its customers could ever want answers to.
- D) It should be short and vague.
- E) It should be clear and concise.

29) Which of the following statements is true of a mission statement?

- A) A mission statement seeks to answer the question: "Why should you finance our business?"
- B) A good mission statement is a complex, detailed statement that explains how the organization will contribute to its specific industry.
- C) What questions a mission statement answers depends on the industry and size of the business.
- D) A well-developed mission statement, no matter what the industry or size of business, will answer five basic questions.
- E) A well-developed mission statement should answer every possible question the company's customers could have about its processes and products.

30) Which of the following questions does the mission statement of an organization seek to answer?

- A) What business are we in?
- B) How do we expand our business?
- C) What are our staffing requirements?
- D) Why are we not cost effective?
- E) How do we meet the annual sales target?

31) Which of these basic questions will be answered by a well-developed mission statement?

- A) Who are our customers?
- B) How do we expand our business?
- C) How do we acquire customers?
- D) Who are our competitors?
- E) What products do we sell?

32) Nolan's jewelry business has grown from a small startup in his room to a chain of outlets all over the country. His business has the potential to expand further, provided he has the resources. To attract investors and other resources, he is required to create a mission statement for his company. If he highlights that his gems come from countries with fair labor practices, which basic question of a well-developed mission statement is he addressing?

- A) What are our responsibilities with respect to being a good steward of environmental,

financial, and human resources?

- B) When do we plan to go international?
- C) Who are our stockholders?
- D) Who are our competitors?
- E) How will we source our products?

33) Justin owns a surf shop in Hawaii. His business is doing well, catering to local surfers and tourists who want to learn to surf. He has developed a strong organizational culture, a good marketing plan, and a coherent business strategy. What serves as the foundation for developing these strengths?

- A) a plan for achieving success
- B) a mission statement that delivers a clear answer to the five basic questions
- C) an elaborate set of business goals
- D) a set of clear and measurable objectives
- E) a target to be achieved

34) _____ is best described as the result that a firm wishes to achieve.

- A) Protocol
- B) A statute
- C) A referendum
- D) An agenda
- E) A goal

35) Hakim set goals for his store that included satisfying his customers while making enough money to open a second store. Which component of a goal did Hakim leave out?

- A) Hakim forgot to include what his store's purpose and basic philosophy are.
- B) Hakim forgot to include exactly how much profit he wanted to make.
- C) Hakim didn't leave anything out.
- D) Hakim forgot to include the overall strategy or course of action he would use to fulfill his mission.
- E) Hakim forgot to include a time frame in which the goal is to be achieved.

36) Harlan wants his hot dog stand to earn a profit and satisfy its customers. As a result, it has developed several signature hot dogs that use quality ingredients and mix inventive flavors. What key component of a goal is this example most closely related to?

- A) a target
- B) a time frame
- C) an attribute
- D) an objective
- E) a mission

37) In the context of a business's objectives, which of the following is an ineffective practice?

- A) isolating them from the business's mission
- B) stating them in such a way that they are measurable
- C) using them to make tactical plans for the business
- D) keeping them elaborate or simple
- E) using them to establish criteria to evaluate performance

- 38) _____ are the ends or results desired by an organization that are derived from the organization's mission.
- A) Protocols
 - B) Statutes
 - C) Objectives
 - D) Agendas
 - E) Referendums
- 39) The principal difference between objectives and goals is that
- A) objectives are broad, while goals are narrow.
 - B) objectives can be multiple, while a company can have only one goal.
 - C) objectives are measurable, while goals need not be measurable.
 - D) objectives are long term, while goals are short term.
 - E) objectives cannot lead to a competitive advantage, while goals can lead to a competitive advantage.
- 40) Stephanie's candy store has profit as an objective. As a result, she wants to have
- A) unlimited liability.
 - B) money and assets left over after paying off business expenses.
 - C) the ability to promote diversity.
 - D) time to release new products in the marketplace.
 - E) the ability to evaluate opportunity costs.
- 41) Which of the following objectives are generally stated in terms of percentage of sales increase and market share, with the goal of increasing those figures?
- A) objectives regarding opportunity costs
 - B) objectives regarding efficiency
 - C) objectives regarding competitive advantage
 - D) objectives regarding employee turnover
 - E) objectives regarding raising capital
- 42) Growth objectives essentially relate to
- A) making the best use of an organization's resources.
 - B) coordinating an organization's resources smoothly.
 - C) focusing on profit as the sole indicator of growth.
 - D) adapting and releasing new products in the market.
 - E) building an organization's ability to promote diversity.
- 43) Kendall's fitness company wants to make the best use of its resources. As a result, she hired college students to work at the front desk, so her personal trainers can focus on helping members in the gym and teaching fitness classes. What type of objective is the most relevant to this example?
- A) efficiency
 - B) profit
 - C) growth
 - D) competitive advantage

E) sales

44) What You Want, a large candy store, has historically sold a lot of chocolate and gummy candies. However, over the years, people have become more health conscious. As a result, What You Want developed a new line of sugar-free candies that taste as good as the original, but without the guilt. What type of objective does this exemplify?

A) sales

B) competitive advantage

C) profit

D) efficiency

E) growth

45) Which of the following provides direction for all managerial decisions and establishes criteria for evaluating performance within organizations?

A) protocols

B) minutes

C) objectives

D) statutes

E) referendums

46) The top management of Wisniewski Automobile Parts Inc. has decided that the company's objective for the next two years will be to expand the overall business internationally. This is an example of _____ planning.

A) functional

B) static

C) strategic

D) tactical

E) operational

47) CourseWare, a large educational publisher, decided to sell its college division because it isn't as profitable as the school division. This will allow the company to focus its efforts and funds on becoming the leading school publisher. What type of plan is this?

A) incremental

B) tactical

C) strategic

D) operational

E) static

48) _____ plans, a type of plan for meeting objectives, establish the long-range objectives and the overall course of action by which a firm fulfills its mission.

A) Functional

B) Tactical

C) Strategic

D) Operational

E) Static

49) How long a time period do strategic plans generally cover?

- A) three to six months
- B) six months to a year
- C) longer than five years
- D) one to three months
- E) one year or longer

50) The top management of New 18 Apparels Inc. has decided to set up an online store to cater to the changing business environment and reach out to the Asian market. The management has also identified that the success of the company will depend on its ability to create and develop new products and processes in the next two years. This is an example of

- A) functional planning.
- B) strategic planning.
- C) static planning.
- D) operational planning.
- E) tactical planning.

51) All of the following are true of strategic plans EXCEPT they

- A) must take into account the organization's capabilities and resources.
- B) should be market-driven.
- C) must take into account the changing business environment.
- D) must take into account the organizational objectives.
- E) can be developed by anyone in a firm.

52) Tactical plans usually cover a period of

- A) five years or more.
- B) one year or less.
- C) three years.
- D) one week or less.
- E) ten years.

53) Which of the following is a difference between strategic and tactical plans?

- A) Strategic plans are short term, while tactical plans are long term.
- B) Strategic plans are long term, while tactical plans are short term.
- C) Strategic plans cover a period of one year or less, while tactical plans cover a period of one year or more.
- D) Strategic plans are narrow in scope, while tactical plans are broader.
- E) Strategic plans are easier to adjust or abandon than tactical plans.

54) Short-range plans covering a period of one year or less that are designed to implement the activities and objectives specified in an organization's strategic plan are referred to as

- A) referendums.
- B) protocols.
- C) static plans.
- D) operational plans.
- E) tactical plans.

- 55) Which of the following statements is true of tactical plans?
- A) They deal with potential disasters, such as product tampering, oil spills, fire, earthquake, or computer viruses.
 - B) They establish the long-range objectives of a firm.
 - C) They allow a firm to react to changes in the environment.
 - D) They specify what actions each individual needs to accomplish in a firm.
 - E) They help establish strategic plans.
- 56) Which of the following is an effective practice with regard to tactical plans?
- A) They should cover a period of three years or more.
 - B) They should protect an organization from reacting to changes in the environment.
 - C) They should disregard a company's overall strategy.
 - D) They should be periodically reviewed and updated by an organization's management.
 - E) They should be established by an organization's first-line managers.
- 57) Hearth and Home, a home improvement store, is planning to expand and open four new stores, one each year. As a result, it develops four separate plans to determine how much to spend on each store as well as when and where to open each store. These are _____ plans.
- A) strategic
 - B) tactical
 - C) static
 - D) operational
 - E) growth
- 58) _____ are very short-term plans that specify what actions individuals, work groups, or departments need to accomplish in order to achieve an organization's tactical plan and, ultimately, the strategic plan.
- A) Operational plans
 - B) Protocols
 - C) Static plans
 - D) Referendums
 - E) Executive-level plans
- 59) Virtual Toys, a company that manufactures toys inspired by popular video games, creates a strategic plan to be the leader in the product category within a period of three years. The company's middle management also creates a half-yearly plan to ensure that the objectives of the strategic plan are properly implemented. The half-yearly plan created by Virtual Toys can be regarded as
- A) an operational plan.
 - B) a contingency plan.
 - C) a static plan.
 - D) a tactical plan.
 - E) an executive-level plan.
- 60) The top management of Import Autos Inc. creates a strategic plan to enter new product markets within a period of five years. The company's middle management creates half-yearly

plans to ensure that the objectives of the strategic plan are properly implemented. Along with these plans, each department creates short-term plans that specify the actions to be taken by specific employees and teams to meet the objectives of the strategic plan and the half-yearly plans. These short-term plans established at the departmental level are referred to as

- A) operational plans.
- B) contingency plans.
- C) static plans.
- D) tactical plans.
- E) executive-level plans.

61) Sublime Trails, a trail mix store, is planning to expand its business by opening several new stores over the course of four years. Within this strategic plan, all of the following are items operational plans may specify EXCEPT the schedule for

- A) opening all the stores.
- B) opening one new store.
- C) hiring and training new employees.
- D) obtaining merchandise.
- E) opening for actual business.

62) Which of the following is an example of an operational plan?

- A) A car dealership's highest managers develop a plan to add a new car model over the course of two years.
- B) Two large utility companies merge, and the newly combined company plans to spin off into three separate units focusing on electric, gas, and oil over a four-year period.
- C) A work group at a large computer plant is assigned a weekly production quota to ensure there are sufficient products available to elevate market share and ultimately help the firm be number one in its product category.
- D) A large publisher plans to find ways to increase traffic to its social media site and promote premium instructor and student materials to those who visit the site.
- E) A pet grooming store plans to open five new stores over a three-year period, creating three separate year-long plans to specify how much to spend to set up each store, where to locate, and when to open each new store.

63) Crisis management plans generally cover maintaining business operations during a crisis and

- A) holding first-line employees responsible for the crisis.
- B) avoiding responsibility for the crisis in the media.
- C) communicating with others about the situation and the company's response to the crisis.
- D) ensuring that the employees do not know about details of the crisis.
- E) isolating top managers from the process of dealing with the crisis.

64) _____ is an element in planning that deals with potential disasters such as product tampering, oil spills, fire, earthquake, computer viruses, or a reputation crisis.

- A) Supply chain management
- B) Contingency planning
- C) Value chain management
- D) Enterprise resource planning
- E) Material requirements planning

65) BagsGalore.com, a leading online retailer, uses the services of Data Safe Inc., a small startup that helps companies manage and keep their electronic data safe. This helps BagsGalore.com keep a backup of its proprietary information in case of virus attacks or any sort of damage to property. This is an example of

- A) supply chain management.
- B) contingency planning.
- C) materials requirement planning.
- D) enterprise resource planning.
- E) value chain management.

66) A huge fire broke out in Country Rooms, a small rustic furniture store. The fire destroyed all of the furniture, and ultimately, the company went out of business. Which of the following is most likely the reason this company went out of business?

- A) Country Rooms's crisis management team couldn't come up with a favorable solution to this crisis.
- B) Competing rustic furniture stores refused to help Country Rooms restore its operations.
- C) All of Country Rooms's managers had to focus on crisis management, so their regular duties were neglected.
- D) The owners of Country Rooms decided not to respond to the crisis.
- E) Country Rooms didn't have an updated contingency plan to handle such a crisis.

67) Which of the following is true regarding crisis management?

- A) Many companies have crisis management teams to deal specifically with problems, permitting other managers to continue to focus on their regular duties.
- B) Once a company develops a crisis management plan, it never needs to reevaluate that plan.
- C) Even the most prepared company can't plan for how to react to every type of disaster.
- D) It is important to respond privately and deliberately when a disaster occurs.
- E) Approximately 75 percent of businesses fail to reopen after a serious disaster because most companies don't make appropriate crisis management plans.

68) Dividing work into small units and assigning it to specific individuals is a task related to the management function of

- A) evaluating.
- B) organizing.
- C) staffing.
- D) controlling.
- E) recruiting.

69) Pablo manages a large technology company. One of his roles is structuring the company's resources and activities to accomplish its objectives efficiently and effectively. What management function does this example pertain to?

- A) evaluating
- B) organizing
- C) crowdsourcing
- D) controlling
- E) factoring

70) Which of the following statements is true of the management function of organizing?
A) Organizing is the process of evaluating and correcting activities to keep a business on course.
B) Organizing involves determining and administering appropriate rewards and recognition for employees in an organization.
C) Organizing is a management function that leads to the duplication of resources.
D) Organizing is the last step in the process of managing a business.
E) Organizing helps create synergy, whereby the effect of a whole system equals more than that of its parts.

71) Macy's kitchen appliance company is reorganizing for greater efficiency. How would this company most likely organize the work?
A) around traditional departments
B) around individuals
C) into teams
D) to other managers
E) to independent consultants

72) All of the following are reasons organizing is important EXCEPT it
A) eliminates synergy.
B) establishes lines of authority.
C) improves communication.
D) helps avoid duplication of resources.
E) improves competitiveness.

73) Mason owns a large moving company. Over the years, the market has changed, and Mason has had to adapt how he structures his resources and activities to continue to accomplish his business objectives efficiently and effectively. What does this scenario demonstrate?
A) organizing occurs continuously
B) organizing duplicates resources
C) organizing slows down decision making
D) organizing only occurs once
E) organizing rarely occurs

74) Providing incentives to employees to motivate them toward achieving organizational objectives relates to the management function of
A) factoring.
B) benchmarking.
C) evaluating.
D) controlling.
E) directing.

75) Which of the following is true of the management function of directing?
A) All managers are involved in directing, but it is most important for top-level managers.
B) Directing designs the map that lays the groundwork for the other managerial functions.
C) Good directing does not require the implementation setting deadlines.
D) Directing involves determining and administering appropriate rewards and recognition.

E) Telling employees what to do and when to do it is against the principles of directing.

76) Bernadette manages workflow at a newspaper. She sets and implements the deadlines and encourages the writers and editors to do their work. What managerial function is Bernadette fulfilling?

- A) controlling
- B) planning
- C) organizing
- D) directing
- E) goal setting

77) Christopher manages a fitness club that hires many younger, college-aged employees. He has tried several incentive plans to motivate them to work harder, including promising raises, promotions, and bonuses. However, he has found that his employees need further motivation. He set up a meeting with a few of his employees, and they explained to him that they want more than money from their jobs. Christopher can do all of the following to motivate his employees EXCEPT

- A) give his employees a better understanding of their effect on the company's financial success.
- B) shield his employees from having to make decisions about how the company operates.
- C) give his employees some decision-making authority.
- D) show that he recognizes and appreciates the good work his employees are doing.
- E) ask his employees to contribute ideas for improving customer service.

78) _____ is the process of evaluating and correcting activities to keep an organization on course.

- A) Planning
- B) Benchmarking
- C) Staffing
- D) Controlling
- E) Recruiting

79) When Becky informed her supervisor that the furniture assemblers at their manufacturing plant were using 20 percent more raw materials in the current month when compared to the preceding months, she was involved in the management function of

- A) planning.
- B) structuring.
- C) staffing.
- D) controlling.
- E) benchmarking.

80) For an organization, the first step in the management function of controlling is to

- A) compare present performance with standards.
- B) take corrective actions when necessary.
- C) investigate the causes of any deviations.
- D) measure the actual performance.
- E) identify deviations from the standard.

81) Jill manages a fast food restaurant. One day, while sitting in the restaurant taking her break, she hears a group of customers complaining about how slow the service has been getting and that they may have to stop eating there. Which of the following is the most effective control action Jill can take to resolve the problem?

- A) She can simply take the customers' word for it and discipline her employees.
- B) She can fire all the employees and hire new ones.
- C) She can watch her employees work to determine the cause of the problem and then respond appropriately.
- D) She can speed up the service by doing all the work herself.
- E) She can offer her employees incentives to speed up their work.

82) In businesses, _____ include the president and other top executives, such as the chief executive officer, chief financial officer, and chief operations officer, who have overall responsibility for an organization.

- A) first-line managers
- B) top managers
- C) boards of directors
- D) department heads
- E) middle managers

83) In an organization, decisions regarding adding new products, acquiring companies, and moving into foreign markets would most typically be made by

- A) the first-line management.
- B) a sales manager.
- C) the middle management.
- D) a production manager.
- E) the top management.

84) Kevin is the president of an advertising firm. He has many years of varied experience, and he spends most of his time making strategic decisions about how to use the company's resources. On which management function does he spend most of his time?

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

85) Dawu manages a small coffee house. In fact, this business is so small that Dawu is the only manager. What level manager is Dawu?

- A) Dawu is a first-line manager because small companies have no need for the other management levels.
- B) Dawu assumes the responsibilities of all three levels.
- C) As the only manager, Dawu is a top manager, delegating the functions of the other levels to her employees.
- D) Dawu is a middle manager, which is the most common level of management in small businesses.
- E) Dawu prefers to be called a supervisor because she wants her employees to have more

authority and not be overwhelmed by her management status.

86) Which of the following is true of top-management compensation?

- A) Stockholders and key stakeholders support paying CEOs higher salaries because they recognize the importance of capable leadership.
- B) If a company performs poorly, the CEO is given higher pay to motivate him or her to work harder to improve performance.
- C) Stakeholders give top management perks and special treatment for doing a good job.
- D) Compensation committees are working with boards of directors and CEOs to detach salary from performance because it isn't fair to hold top managers solely responsible for the company's performance.
- E) Many firms are trying to align CEO compensation with performance.

87) Claudia is a manager at a large technology company. Since her company wants to serve consumers from fast-growing demographic groups, such as Hispanics, African Americans, and Asian Americans, she wants to hire employees from those groups to help make decisions regarding issues related to consumer diversity. All of the following are rules she should follow in diversity recruiting EXCEPT

- A) limit hiring to individuals from the chosen demographic groups.
- B) show prospective employees that the company is diversity-friendly.
- C) educate all employees on the tangible benefits of diversity recruiting to garner their support.
- D) spend some money getting the message out to the right places.
- E) support community-based diversity organizations.

88) _____ are responsible for tactical and operational planning that will implement the general guidelines established by top management.

- A) Chief executive officers
- B) Middle managers
- C) Top-level managers
- D) Trade creditors
- E) External auditors

89) The specific operations of an organization, plant, division, or department would most typically involve the _____ of the company.

- A) top management
- B) middle management
- C) executive officers
- D) board of directors
- E) stockholders

90) Stella manages the computer department at Mega Tech, Inc. She helps the organization implement its general guidelines by managing the specific operations related to her department. Stella is a

- A) first-line manager.
- B) middle manager.
- C) top manager.

- D) supervisor.
- E) chief executive officer.

91) Positions such as foremen, supervisors, and office service managers are a part of the _____ of a company.

- A) top management
- B) first-line management
- C) middle management
- D) executive levels
- E) strategic planning division

92) Most people get their initial managerial experience as _____, those who supervise workers and the daily operations of an organization.

- A) top managers
- B) middle managers
- C) first-line managers
- D) chief operations officers
- E) chief financial officers

93) Eito is a manager at a shoe store. He spends most of his time in the store with his employees, making sure they work their scheduled hours, watching them interact with customers, and making sure all the daily tasks are completed sufficiently. Eito is a

- A) director.
- B) middle manager.
- C) top-level manager.
- D) first-line manager.
- E) chief executive officer.

94) Noriko works as a manager at Unicorn Infra Inc. Noriko and her team members are primarily responsible for procuring the funds needed for the successful operation of the organization and investing that money to pursue organizational goals. Thus, Noriko is a _____ manager.

- A) financial
- B) production
- C) sales
- D) human resource
- E) marketing

95) Schuyler is a bank manager. He manages the activities of an entire branch without specializing in any one particular function. Thus, Schuyler is a(n) _____ manager.

- A) human-resource
- B) production
- C) sales
- D) administrative
- E) marketing

- 96) Production and operations managers are concerned with
- A) identifying and efficiently using sources of financing.
 - B) managing an entire market segment of a business.
 - C) planning, pricing, and promoting products.
 - D) transforming resources into goods and services.
 - E) recruiting new employees and developing employee programs.
- 97) Wagner is a marketing manager for a large textbook publisher. What is his primary responsibility?
- A) identifying and efficiently using sources of financing
 - B) hiring employees and dealing with them in a formalized manner
 - C) planning, pricing, and promoting products and overseeing their distribution
 - D) managing an entire business or a major segment of the business
 - E) implementing, maintaining, and controlling technology applications required by the company
- 98) Nokomis was less educationally qualified and experienced than her colleagues when she joined Geneva Systems Inc. However, due to her ability to negotiate effectively with clients, convince her team members to work harder, and understand their needs, she is a senior-level manager today. Which of the following skills can be most attributed to Nokomis's success in this scenario?
- A) technical skills
 - B) cognitive skills
 - C) human-relations skills
 - D) critical-thinking skills
 - E) psychomotor skills
- 99) Rebeccah is a manager at a law firm. Part of her role is conducting performance reviews for the paralegals in the office. By doing so, she is fulfilling the managerial role of a
- A) disseminator.
 - B) negotiator.
 - C) resource allocator.
 - D) leader.
 - E) figurehead.
- 100) Carl is a manager of a large car dealership. He often meets with consumer groups to discuss the safety features of the company's cars. When he does this, he is acting as a
- A) negotiator.
 - B) monitor.
 - C) resource allocator.
 - D) liaison.
 - E) spokesperson.

101) _____ refer to the ability of an individual to think in abstract terms and to see how parts fit together to form the whole.

- A) Technical skills
- B) Perceptual skills
- C) Conceptual skills
- D) Social skills
- E) Human-relations skills

102) Jasper is a first-line manager at a heating and HVAC company. Although he no longer goes out to customers' homes and does their repairs, since he worked in the field for over 20 years, he is able to train employees, answer questions, provide guidance, and solve problems. These abilities most closely describe his

- A) technical expertise.
- B) human-relations skills.
- C) leadership.
- D) analytical skills.
- E) conceptual skills.

103) Landon is interviewing for a position at a law firm. In the interview, he is asked: "How would you resolve the issue of successfully arguing a case in which you disagree with our client's position?" Answering this question requires Landon to use _____ skills.

- A) technical
- B) analytical
- C) cognitive
- D) social
- E) human-relations

104) Which of the following is a feature of democratic leadership?

- A) encouraging employees to discuss concerns and provide inputs
- B) using economic rewards as sole means to motivate employees
- C) allowing employees complete autonomy to work on their own
- D) monitoring employee actions very closely and in great detail
- E) making decisions and telling employees what must be done and in what manner

105) The _____ style of leadership can be a powerful motivator because it demonstrates a great deal of trust and confidence in an employee and allows employees to meet their work demands with little or no interference.

- A) free-rein
- B) autocratic
- C) authoritarian
- D) repressive
- E) totalitarian

106) Carlos is a manager at a men's clothing store. He is very particular about how things are done, right down to how the shirts are folded and the positioning of the mannequins. He uses his authority and economic rewards to get his employees to comply with his directions. What type of manager is Carlos?

- A) authentic
- B) democratic
- C) free-rein
- D) autocratic
- E) participative

107) _____ occurs when employees are provided with the ability to take on responsibilities and make decisions about their jobs.

- A) Employee outplacement
- B) Crowdsourcing
- C) Micromanagement
- D) Benchmarking
- E) Employee empowerment

108) Clink, a new bar and restaurant, encourages its employees and managers to participate in creating its specialty drinks and menu items. This is an example of

- A) autocratic leadership.
- B) authentic leadership.
- C) motivating employees.
- D) participatory decision making.
- E) free-rein leadership.

109) Audio Xperience, a stereo and audio electronics company, encourages its employees to work together to make decisions that reinforce the company's mission and values. Each employee brings his or her own unique insights, and by discussing these insights with other employees, they collectively develop innovative ideas or decisions that most likely would not have been reached by one or two people. This scenario explains

- A) groupthink.
- B) individual innovation.
- C) a specific task force.
- D) free-rein decision making.
- E) teamwork.

110) Which of the following is the first step in decision making?

- A) recognizing and defining the decision situation
- B) developing options to resolve a complicated situation
- C) analyzing the options available to resolve a situation
- D) monitoring the consequences of a decision
- E) implementing a decision

111) Managers at Sprocket Inc. have recognized declining sales on their water purifier and must decide what has to be done to improve it. Which of the following would be their next step?

- A) defining the situation
- B) developing options
- C) analyzing options
- D) selecting the best option
- E) implementing the decision

112) When selecting the best option among a series of possible decisions,

- A) it is always advisable to choose just one.
- B) quantitative and qualitative analyses are foolproof at all times.
- C) all options must be tried and tested simultaneously.
- D) it is always possible to use an objective procedure.
- E) it may be possible to use a combination of several options.

113) Gerald is assessing the appropriateness of a proposed option to resolve his publishing company's plagiarism issue. When considering the consequences of the option, he should

- A) consider its impact on the organization as a whole.
- B) think narrowly about the one department most affected by the decision.
- C) disregard the practicality of the options available.
- D) choose the option that partially addresses the problem.
- E) limit the evaluation to objective procedures.

114) Brenda manages a flower shop. Recently, the flower shop has had trouble competing with the local grocery store's florist. Brenda wants to develop a list of possible courses of action to draw more customers to her shop, so she gathers her team. They discuss the issue and suggest ideas to solve the problem. This is called

- A) groupthink.
- B) brainstorming.
- C) analyzing options.
- D) moderated discussion.
- E) crowdsourcing.

115) Which of the following best describes the importance of monitoring the consequences of decisions?

- A) The consequences of decisions may not be apparent quickly enough to make changes without monitoring.
- B) Monitoring the consequences of decisions is the immediate logical step after selecting the best option.
- C) Monitoring the consequences always leads to redefining the decision situation from the beginning.
- D) The consequences of decisions have to be monitored only when desired results are achieved.
- E) Monitoring the consequences of decisions is not important, and it is expensive.

116) A(n) _____ is like a calendar, containing both specific and vague items, that helps a manager figure out what must be done and how to get it done to meet the objectives set by an organization.

- A) balance sheet
- B) executive summary
- C) proforma invoice
- D) referendum
- E) agenda

117) Which of the following refers to the process of building relationships and sharing information with colleagues who can help a manager achieve the items on his or her agenda?

- A) controlling
- B) directing
- C) benchmarking
- D) networking
- E) monitoring

118) _____ is used for job networking and is gaining popularity among the younger generation as an alternative to traditional job hunting.

- A) eBay
- B) Twitter
- C) LinkedIn
- D) Orkut
- E) Amazon

119) Karen manages a large carpet cleaning company. She spends a lot of time communicating with a variety of people and participating in activities that do not seem to have much to do with goals of her company. What is this called?

- A) socializing
- B) unprofessional behavior
- C) networking
- D) procrastinating
- E) conflict of interest

Essay Questions

120) Define management and explain the difference between working efficiently and working effectively.

121) Describe the four types of skills needed by managers.

122) Explain the three leadership styles and give examples of each.