

BUSINESS 20 PRE-FINAL

NAME: _____

Class: _____ **Time:** _____

Grade: _____ **# Missed:** _____

Multiple Choice: For each of the following questions choose the **best** answer by circling the letter of the answer that best answers the question. Be sure to read the entire question first before answering.

Chapter 2

Adam and Alex decided to go green; in doing so they are now using reusable shopping bags rather than plastic shopping bags. As they inform others of their efforts to help prevent pollution, to conserve water and reduce their energy consumption they have been requesting others to do the same. Most importantly reusing recycled materials. Adam and Alex think that the government should make it a law for all companies to be "green". They believe it's been shown to conserve energy, and help out the economy. Adam and Alex are trying to promote what they believe on all of the companies in the United States and to make it a requirement. They believe that all companies should be required to use reusable materials, conserve water and save energy. Should companies have the right to choose if they want to be "green" or should the government require it?

- A. Adam and Alex opinion is should not be pushed on companies.
- B. If the company is related to food it should be mandatory
- C. the economy is at risk for global warming so there should be some guidelines to follow.
- D. There are too many "green" regulations already no more are needed.

Chapter 11

Charlie Chan Chang Cha works for the China Ching Cho Company. The China Ching Cho Company is a manufacturer of noodles and has been in business for the last two decades. Due to the economy taking a downturn the China Ching Cho Company has been struggling to stay afloat. In these trying times Ching Cho Company has proposed to the lower wages and benefits to keep afloat. Unfortunately the Labor Union has held firm that they will not accept lower wages and benefits due to Ching Cho Company not properly managing and budgeting the company. Charlie Chan Chang Cha has worked for the Ching Cho Company since the beginning

and has a high seniority number and hopes the Ching Cho Company will find other ways to save the company and not cut their wages and benefits. In attempt to force the union to accept their terms the Ching Cho Company held a lock out to all their employees. The Ching Cho Company figured this would put pressure on the union to accept their proposed lower wages and benefits, but the union did not budge. After a week of the lockout the Ching Cho Company decided to stop the lockout due to the loss of income. Charlie Chan Chang Cha rallied with the union to conduct a strike and for another week the workers went on strike. In the end the Ching Cho Company announced it was filing for bankruptcy and would be laying off all the workers and selling off all their assets due to the workers union not budging. What should have Charlie Chan Chang Cha should have done?

- A. Nothing
- B. Went fishing
- C. He should have taken the lower wages and benefits and kept his job, instead of being homeless and jobless.
- D. Found a new job

Chapter 14

Bows Bags and Baby's is a retail store who just received a shipment of products from their Merchant Middleman. When Bailey, the assistant manager went to take in inventory, she noticed that the boxes had already been opened and resealed. Bailey notified her boss, Barbara Bennett who immediately called they're middleman about it. Unfortunately there was nothing they could do because Bailey already signed for the inventory. Upset as they were, Bows Bags and Baby's decided to look for a new channel of distribution. They are looking for a channel that they'll be able to receive their products straight from the manufacturer. Barbara looked into it and formed a perfect channel, the direct channel which means she will receive her merchandise directly from the producer. Of course her original wholesaler was upset that they've lost a customer however, Barbara thought it best to prevent anything like this from happening again. She also hired on a 11 agent, Bill Brownen, just in case. Well three months later, they're store has skyrocketed, and they've had to double they're weekly shipments just to keep up with demand. So Bill pitched an idea to Barbara about an expansion. She has had several offers from self-owned boutiques who would like to sell merchandise through her store. So Barbara decided to look into her expansion options. She's discovered several options, which are a Catalog Showroom which is a retail outlet that displays well-known brands and sells them at discount prices through catalogs within the store. A Warehouse Showroom which is a retail facility in a large, low-cost building with a large on-premises inventory and minimal service, a convenience store which is a small food store that sells a limited variety of products but remains open well beyond normal business hours A Supermarket which is a large self-service store that sells primarily food and household products. A Superstore which is a large retail store that carries not only food and nonfood products ordinarily found in supermarkets but also additional product lines a warehouse club which is a large-scale members-only establishment that combines features of cash And-carry wholesaling with discount retailing. And finally a Traditional Specialty Store which is a store that carries a narrow product mix with deep product

lines. Although the remodeling is expected to take six to eight months, the boutiques are eager to sell their merchandise now. Which expansion would benefit all parties involved, and will allow Bows Bags and Baby's to begin selling all products now instead of having to wait for the remodel?

- A. Warehouse Showroom
- B. Catalog Showroom
- C. Convenience Store
- D. Superstore
- E. Warehouse Club
- F. Supermarket
- G. Traditional Specialty Store

Chapter 13

Crafty Cece's Cakes is a cute little store that consistently cooks chocolate cakes and other goodies for many different occasions. Their product mix contains mainly cakes and other bakery items, their product line of cakes are the same basic recipes with different flavorings. Crafty Cece's consumer products are so tasty; they've had to increase their supply in order to meet the growing demand. The packaging for smaller treats such as cupcakes is usually three to six per package. Their labeling includes the item's price, when purchasing multiples of the same or similar items they use bundle pricing. Customer's exhibit great brand loyalty by buying only from Crafty Cece's, the price is often negotiated between the consumer and the clerk helping them. Crafty Cece's doesn't have everyday low prices, but they often combine periodic and random discounting to give the customer a substantial final discount. They purchase their major and accessory equipment from specific manufacturer brands. They combine the raw and processed materials into many finished products. Sometimes their products go through many modifications within its life-cycle. Their product deletion process is simple, the stop producing products that their customers don't but very much of. Customers consider confections from Crafty Cece's Cakes a convenience product because the store is located close to the city's public transportation depot, also because the items are consistently cheap due to special-event pricing for holidays and other incentives. Crafty Cece's are considered the price leaders in their field due to their numerous, often overlapping, discounts. Their total cost depends on the fixed cost of some products and the variable cost of others. Crafty Cece's often exceeds its breakeven quantity due to their many different discounts; they may have many discounts, but their total. Confections from Crafty Cece's Cakes are considered convenience products because,

- A) Crafty Cece's Cakes is located close to the local public transportation depot, which includes; buses, taxis, and a store where you can purchase or rent bicycles.
- B) Products from Crafty Cece's Cakes are cheap due to the fact that they have many different discounts at different times of the year that often overlap each other.
- C) Answer A and answer B are both correct, Crafty Cece's Cakes is located near the public transportation depot and they have incentives such as low pricing.

D) None of the answers above are correct; confections from Crafty Cece's Cakes are considered convenience products because their customers are too lazy to shop anywhere else.

Chapter 5

Billy Bangfeelsky, a small business owner was busting out a brand new business plan! But unfortunately, Billy's Business plan was held up. Billy needed help, so he sought help through the Small Business Administration. The SCORE group came to see Billy's brilliant idea. When the volunteers came to see his brilliant idea, they liked it so they forward the idea to the small business institutions. After Billy's business training, he was now in search for venture capital, beginning an idea for new Business bargains, Billy Bangfeelsky, had to present his business idea to the small business investment company. Having been granted the award, Billy decides that it would be beneficial to him to seek out a franchise, he located a franchisor, and now being a franchisee he needs the proper ethics. So now that Billy Bangfeelsky is both legal and prepared where he worked really hard balancing the bills and employees. It was just last year when Billy had a major case on his hands. Where Billy's Business plan went astray; one of his brainsick business partners, left a freezer with a year's supply of meat and vegetables go bad by leaving the freezer door ajar one weekend including the fridge in the kitchen. Billy was forced to restock all of his fridge new veggies and cheese galore; I heard Billy almost went out of Business because of the Bills he spent replacing the products. I also heard that the same Business partner, a couple of months later, forgot to close out the cash register before leaving, so the days earnings were left out of the nights till paper work and the buffoon didn't lock up before he left. And they that there was a robbery and they couldn't even claim the insurance on it because there was no record to even tell how much was stolen. Billy was very unhappy I heard he fired that person, serves him right. Billy has had little ups and downs on the replacement someone always had to mess up in some way or another. As Billy continues to search he irritable a choice, he had to either find a new financer or find an assistant who skills where outstanding. He came upon a money savvy person in one rustic night, as rain feel harshly to the ground the discussed Business plans and ideas. Do you think that Billy's idea to start a business was a wise choice?

- A: no he should stay home and clean my laundry
- B: yes it's for Billy have new experiences
- C: I drive my car over a cliff a float away in an air balloon
- D: the troll under the bridge ate me twice
- E: Billy needs a new plan

Chapter 13

Crissy Carlton works in marketing at Congo Conflict Conscious Consumer Computers. The company sells only products that are not made from conflict minerals mined in the Congo. Congo Conflict Conscious Consumer Computers, CS for short, is introducing a new line of compact tablet computers they are calling the cPads. The cPads feature a new Conflict Free Capacitive touchscreen and integrated Conscious Cloud connectivity. The new cPad product line will include three models: cPad mini those with small hands; cPad regular for consumers who

want a large, high-resolution color screen; and a luxury limited edition cPad XL with extra loud speakers and a bright red case. The CS brand symbol is a lump of coltan with a cross through it. The brand logo is placed on the front and back of the cPads so that they can be recognized as a CS product at a glance. CS is airing TV commercials and running print ads in newspapers and magazines that feature the brand logo so that consumers will associate the logo with the company. To promote brand loyalty, CS is making sharing files between all devices easy and selling a large variety of cPad accessories that all prominently feature the brand logo. The projected lifecycle of the cPad is one year. At the end of the product lifecycle CS will release a cPad2 with a brighter screen, larger battery, and even less conflict minerals than the first version. Crissy's job is to research buying patterns and determine when the best time to launch the new version of the cPad will be 10 months after the launch of the cPad, sales drop to nearly zero as consumers anticipate the announcement of a new version. Crissy feels conflicted. She works for CS because she believes in the ethics of conflict mineral-free products, but personally owns products made with conflict minerals because of their superior quality and lower price. With the launch of the cPad2 imminent, what should Crissy do?

- A. Sell all of her electronics and replace them with conflict mineral free ones.
- B. Quit her job and travel to Africa to see firsthand the horrors of child labor in the Congo.
- C. Conduct market research to find out what pricing options will be most appealing to consumers.
- D. Create a new logo for the cPad2 to create excitement for the launch of the new product.

Chapter 1

Bob Barrel was an entrepreneur trying to build a small business based on his knowledge and creativity. Previously Bob worked as a mechanic in Brandon's Mechanic Shop fixing cars and rebuilding motor. Bob signed a contract indicating he would be on probation for 6 months with no raise, no sick leave, and no vacation. If Bob was not to follow the contract he was to pay a fine of \$20,000. Bob knew he would stay for 6 month with no problem, so he signed the contract. Bob worked hard to accomplish his goal. After working for 4 months Bob decided to open his own shop. Bob had already earned enough money and some experienced to open his own business, but Bob didn't realize that he was not obeying his contract obligations. Bob was then fired and charged with \$20,000 fine for not following the contract. Bob consulted legal help and advice. He was willing to pay some of the fine, but not the full amount. His plans where to work and save money to opened his own business. The owner for Brandon's Mechanic Shop decided to talk to Bob, so they can come into an agreement. They decided that Bob had to pay \$16,000 as a fined. One year passed and Bob opened his owned business. He knew a little bit of everything. He knew how to fix a car, build and rebuild motors of any type, and he would also buy and sell his · motors. Bob found nothing suitable, so he decided to look into thee-business and decided to create an online market-place, bobsmotors.com, where customers and vendor could connect with Bob to buy or sell his products. Bob also knew he had competition and he need to better his prices. Bob recruited friends and family members to handle hard machinery. A \$40,000 investment from one of his family member helped invest into his business. On August 2005 Bob sold \$150,000 worth of fixing and rebuilding motors. During the second year his business expanded to Bridge Well, Boston. By the end ofthe second year, the

company's sales topped \$1 million dollars. Bob was on his way up and was getting his business to the top. Today, Bob employs 70 people and rings up \$200 million in rebuilding, building, and fixing car. Bob sold a small percentage of the company in 2008, and after hiring a new CEO, stepped back from day-to-day management. He now devotes most of his time to planning for Bob's success. Why is it important to always read carefully before you signed a contract?

- A. Employee will get distracted from activities going around their life and may not pay attention to what they signed.
- B. To prevent from getting into legal problem in the future.
- C. To be sure to get the job.

CHAPTER 9

Human Resources- Attracting and Retaining the Best Employees

Empirical Enterprises has recently fired all their employees for unethical behaviors and practices. The president of Empirical Enterprises, Ernesto Embryo decided to create a new Human Resource Management team. This team will be responsible for all Human Resource Planning to include; job analysis, recruiting, selection, orientation, employee relations, compensation, benefits, training and development and performance appraisals. Mr. Embryo emphasizes to his Human Resource Management Team he endearingly calls "The Emhryos", that he wants to hire the right people and take actions to make the staff truly satisfied with their jobs, in hopes that this would cut out the bad eggs who engage in unethical behavior. They will start with a replacement chart of current employees to ensure that top management positions can be filled quickly in the event of something unexpected. The team will also conduct a computerized skills inventory and keep record of the skills and experience of all employees. This will allow for internal recruiting, boosting employee moral when someone is promoted from within. Mr. Embryo wants to start a monthly meeting acknowledging all employees with a Cultural Diversity training, Mr. Embryo feels it is important to recognize all differences and learn about others as it could make the difference in workplace moral. Now it's time to recruit new employees, in this process Mr. Embryo's team "The Embryos", will find the best way to attract qualified applicants, they understand it needs to be a systematic process because it could cost thousands of dollars just to hire one employee so they want to attract top talent. They will do both External and Internal recruiting to make sure they get the best there is, although they realize that promoting from within provides strong motivation for current employees and helps the company retain quality personnel. So far, so good. Mr. Embryo feels that everything is falling into place and he is doing the best that he can to create an atmosphere of enthusiasm and trust. Following the recruiting of course, comes the selection process and hours upon hours of going through applications and resumes. The Embryos decide that if applications are not thoroughly filled out they will automatically toss them out, even if they have a top college degree and experience. They are also creating a new system for interviewing. In the past they used a prepared set of job-related questions and the interview was very structured, they decided that they also wanted to see the personality of the job candidate by asking personality related questions. Mr. Embryo loved this idea and asked them to incorporate it in the new interviews. Once a candidate is hired, they will attend an orientation that will familiarize the new employee with the corporation. The new employee named Englebert Ego, will tour the

company and meet all the employees, discuss wages and employee benefits. After "The Embryos" take Mr. Ego for a spin around the company, he stated that he wants more benefits, such as 2 hour extended lunches, early leave on Fridays, late morning come-ins on Mondays, maybe even Mondays off, he wants a paid birthday and free health insurance for his family. What should the Human Resource Management Team (The Embryos) tell Mr. Ego?

- A. You are entitled to this request because we want to make you happy
- B. Organizations that are dedicated to diversity gain significant benefits from their efforts.
- C. The civil rights act of 1964 applies directly to selection and promotion.
- D. Objective appraisal methods use some measurable quantity as the basis for assessing performance.
- E. Employee Benefits are a reward in addition to your regular compensation, which is decided by the company.

Chapter 8

Alex and Andrew always wondered about the ability they would have to start up their own business. After years went by Alex and Andrew finally agreeing came up with: a functioning business, Alex and Andrew's Amazing Animal house was their name. They had plenty of products like Animal food, toys, treats, kennels, tanks, aquariums, and of course animals. Also they have a few services such as animal sitting, animal grooming, and Animal breeding. Animal breeding was their most popular service, by doing so their store was becoming overwhelmed with Animals. After managing inventory items to create more space to house future Animals and pets, so that they can keep quality control and insure that all new animals are raised in the proper environment. All: of this was accomplished with the outstanding help from Alex Andrew's Amazing Animal: House employees. Although the Employees of Alex and Andrew's Amazing Animal House helped ensure the proper upbringing of animals, Andrew and Alex still had the question of how they can improve their Animal breeding service and better produce more animals. Alex and Andrew are wondering how many products and services they can produce at one time, how could they make this possible?

- A. Alex and Andrew need to upgrade their facility so they can have a greater Capacity
- B. Alex and Andrew need to upgrade their quantity to earn more profit
- C. Alex and Andrew need to get rid of products so they can focus more on their service.
- D. Alex and Andrew need to fire employees to save more money for a larger facility