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SKU: 1259087638-TEST-BANK

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

1) Distributive bargaining is basically a competition over who is going to get the most of a limited resource.
Answer: True False

2) Whether or not one or both parties in a distributive bargaining situation achieve their objectives will depend upon the strategy and tactics they employ.
Answer: True False

3) Many people use distributive bargaining strategies and tactics almost exclusively, negotiators *don't* need to understand how to counter their effects.
Answer: True False

4) The *resistance point* is the point beyond which a person will not go and would rather break off negotiations.
Answer: True False

5) The spread between the resistance points is called *the bargaining agreement*.
Answer: True False

6) A *positive* bargaining zone occurs when the buyer's resistance point is above that of the seller.
Answer: True False

7) Alternatives are important because they give the negotiator the power to walk away from any negotiation when the emerging deal is not very good.
Answer: True False

8) The objective of both parties in negotiation is to obtain as little of the bargaining zone as possible for themselves.
Answer: True False

9) Distributive bargaining strategies are the only strategies that are effective in interdependent situations.
Answer: True False

10) The resistance point is the point at which a negotiator would like to conclude negotiations.
Answer: True False

11) Each party's resistance point is openly stated at the conclusion of negotiations.
Answer: True False

12) Anything outside the bargaining zone will be summarily rejected by one of the negotiators.
Answer: True False

13) A negative bargaining range occurs when the buyer's resistance point is above the seller's.
Answer: True False

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14) Negotiations that begin with a negative bargaining range are likely to stalemate.
Answer: True False

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

15) Distributive bargaining strategies:
A) are the most efficient negotiating strategies to use.
B) can cause negotiators to ignore what the parties have in common.
C) are used in all interdependent relationships.
D) are useful in maintaining long term relationships.
Answer: B

16) The target point is the
A) point at which a negotiator would like to conclude negotiations.
B) initial price set by the seller.
C) first offer a negotiator quotes to his opponent.
D) negotiator's bottom line.
Answer: A

17) Starting points (or initial offers)
A) are not known to the other party.
B) are usually contained in the opening statements each negotiator makes.
C) are usually learned or inferred as negotiations get under way.
D) are given up as concessions are made.
Answer: B

18) The objective of both parties in distributive bargaining is to obtain as much of what as possible?
A) Target point B) Bargaining mix
C) Bargaining range D) Resistance point
Answer: C

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

19) Central to planning the strategy and tactics for distributive bargaining is effectively locating the other party's resistance point.
Answer: True False

20) The more attractive the other party's alternatives, the more likely he or she will be to maintain a low resistance point.
Answer: True False

21) A resistance point will also be influenced by the cost an individual attaches to delay or difficulty in negotiation or in having the negotiations aborted.
Answer: True False

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22) The lower the other party's estimate of your cost of delay or impasse, the stronger the other party's resistance point will be.
Answer: True False

23) The less the other party values an issue, the lower his or her resistance point will be.
Answer: True False

24) Distributive bargaining strategies and tactics are quite useful when a negotiator wants to maximize the value obtained in a single deal.
Answer: True False

25) Negotiations with a positive settlement range are obvious from the beginning.
Answer: True False

26) A resistance point will be influenced by the cost an individual attaches to delay or difficulty in negotiation.
Answer: True False

27) The more you can do to convince the other party that his or her costs of delay or aborting negotiations will be costly, the more likely he or she will be to establish a modest resistance point.
Answer: True False

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

28) What is expected from a particular outcome when the resistance point is established?
A) Value B) Timeliness C) Costs D) Importance
Answer: A

29) The more you can convince the other party that your costs of delay or aborting negotiations are what, the more modest the other's resistance point will be as well?
A) Low B) Extreme C) High D) Modest
Answer: A

30) The more you can convince the other that you value a particular outcome outside the other's bargaining range, the more pressure you put on the other party to set what kind of a resistance point?
A) Extreme B) Modest C) High D) Low
Answer: B

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

31) Reticence increases the likelihood of making verbal slips or presenting any clues that the other side could use to draw conclusions.
Answer: True False

32) Concealment is the most general screening activity.
Answer: True False

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33) Channelling all communication through a team spokesperson reduces inadvertent revelation of information.
Answer: True False

34) In some ways, the ultimate weapon in negotiation is to threaten to *terminate negotiations*.
Answer: True False

35) Although disruptive action tactics can work, they may also produce anger and escalation of conflict.
Answer: True False

36) Schedule manipulation can be used to squeeze negotiations into the last remaining minutes of a meeting in order to extract concessions from one party.
Answer: True False

37) If one side is not prepared to make concessions, the other must capitulate or the negotiations will deadlock.
Answer: True False

38) The first step for a negotiator is to obtain information about the other party's outcome values and resistance points.
Answer: True False

39) In "calculated incompetence," the negotiator is intentionally given false or misleading information to reveal to the other party.
Answer: True False

40) Selective presentation can be used to lead the other party to form the desired impression of your resistance point or to open up new possibilities for agreement that are more favourable to the presenter than those that currently exist.
Answer: True False

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

41) Research and practical experience suggest that a large majority of agreements in distributive bargaining are reached when the deadline is:
A) flexible. B) past. C) near. D) undefined.
Answer: C

42) Disruptive action tactics can cause all of the following, ***except***:
A) anger B) embarrassment
C) mutual satisfaction D) increased costs
Answer: C

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43) The opening stance is:
A) the first price that a buyer quotes to a seller.
B) the attitude to adopt during the negotiation.
C) another name for the first round of concessions.
D) a package of concessions.
Answer: B

44) The bargaining range is defined by:
A) the bargaining mix and the opening stance.
B) the opening offer and the counteroffer.
C) the initial round of concessions.
D) the opening stance and the initial concession.
Answer: B

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

45) To communicate the most effective message, a negotiator should try to send a consistent message through both the opening offer and stance.
Answer: True False

46) An offer that may have been rejected had it emerged as a result of concession making may be accepted when it is presented as a *fait accompli*.
Answer: True False

47) When acting as if the decision to close the deal has already been made, the negotiator is using the "assume-the-close" tactic of closing the agreement.
Answer: True False

48) Splitting the difference is perhaps the least popular closing tactic.
Answer: True False

49) To encourage further concessions from the other side, negotiators sometimes link their concessions to a prior concession made by the other.
Answer: True False

50) Studies indicate that negotiators who make low or modest opening offers get higher settlements than do those who make extreme opening offers.
Answer: True False

51) Parties feel better about a settlement when negotiations involve a progression of concessions.
Answer: True False

52) If a major concession has been made on a significant point, it is expected that the return offer will be on the same item or one of similar weight and comparable magnitude.
Answer: True False

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53) A small concession late in negotiations may indicate that there is little room left to move.
Answer: True False

54) It is important to signal to the other party with either behaviour or words that the concessions are almost over.
Answer: True False

55) One way negotiators may convey the message that "this is the last offer" is by making the last concession substantial.
Answer: True False

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

56) All of the following actions are possible after the first round of offers, ***except***:
A) make some concessions
B) make a revised first round offer
C) hold firm
D) insist on the original position
Answer: B

57) Good distributive bargainers will:
A) ensure that there is enough room in the bargaining range to make some concessions.
B) accept an offer that is presented as a *fait accompli*.
C) immediately identify the other party's target point.
D) begin negotiations with the other party with an opening offer close to their own resistance point.
Answer: A

58) What statement about concessions is false?
A) Concessions are central to negotiations.
B) Reciprocating concessions is a haphazard process.
C) Concession making exposes the concession maker to some risk.
D) Concession is another word for adjustments in position.
Answer: B

59) Parties feel better about a settlement when negotiations involve a(n):
A) single round of concessions.
B) progression of concessions.
C) immediate settlement.
D) *fait accompli*.
Answer: B

60) All of the following are true regarding the making of concessions in a negotiation, ***except***:
A) Concessions imply a recognition of the legitimacy of the other party's position.
B) Concessions are a statement of the failure to recognize the other party's position.
C) Concessions show a movement toward the other's position.
D) Concessions indicate an acknowledgment of the other party's objectives.
Answer: B

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61) When successive concessions get smaller, the most obvious message is that:
A) the resistance point is being reached.
B) the concession maker's position is weakening.
C) the negotiator has passed the resistance point.
D) the negotiator is reaching the fatigue point.
Answer: A

62) A(n) _____ contains an extremely tight deadline to pressure the other party to agree quickly.
A) snow job
B) incompetent concession
C) exploding offer
D) sweet deal
Answer: C

63) The most popular closing tactic is:
A) the exploding offer
B) split the difference
C) assume the close
D) sweeteners
Answer: B

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

64) Most hardball tactics are designed to either enhance the appearance of the bargaining position of the person using the tactic or to detract from the appearance of the options available to the other party.
Answer: True False

65) Hardball tactics can be handled by discussing or ignoring them.
Answer: True False

66) The "snow job" tactic occurs when negotiators overwhelm the other party with so much information that they have trouble determining which information is real or important.
Answer: True False

67) Aggressive tactics include a relentless push for further concessions.
Answer: True False

68) Ignoring a hardball tactic always gives the appearance of a weak response
Answer: True False

69) Hardball tactics work most effectively against powerful, well-prepared negotiators.
Answer: True False

70) Hardball tactics are infallible if used properly.
Answer: True False

71) To respond to hardball tactics, a negotiator must identify the tactic quickly and understand what it is and how it works.
Answer: True False

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72) The "snow job" tactic occurs when negotiators give the other party too little information.
Answer: True False

73) Aggressive tactics include pushing for further concessions, asking for the best offer early, and asking the other party to explain and justify his or her proposals item by item.
Answer: True False

74) An effective strategy for dealing with intimidation is to use a team to negotiate with the other party.
Answer: True False

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

75) Hardball tactics are designed to:
A) eliminate risk for the person using the tactic.
B) clarify the user's adherence to a distributive bargaining approach.
C) pressure targeted parties to do things they would not otherwise do.
D) be used primarily against powerful negotiators.
Answer: C

76) Aggressive behaviour tactics include all of the following, ***except***:
A) asking the other party to explain and justify their proposals item by item.
B) asking for the best offer at the end of negotiations.
C) the relentless push for further concessions.
D) forcing the other side to make many concessions to reach an agreement.
Answer: B

77) The "snow job" tactic occurs when:
A) negotiations refuse to offer concessions
B) negotiators overwhelm the other party with too much information
C) the other party acts cool and aloof
D) it's cold outside
Answer: B

78) Which of the following hardball tactics is based on the theory that the use of extreme offers will cause the other party to re-evaluate his or her own opening offer and move closer to or beyond their resistance point?
A) Lowball/Highball
B) Good Cop/Bad Cop
C) The Nibble
D) Bogey
Answer: A

79) Which of the following hardball tactics pretends that an issue of little or no importance to them is really quite important?
A) Bogey
B) Lowball/Highball
C) Good Cop/Bad Cop
D) The Nibble
Answer: A

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80) Negotiators using _____ tactic ask for a proportionally small concession on an item that hasn't been discussed previously to close the deal.

A) Good Cop/Bad Cop
B) Lowball/Highball
C) The Nibble
D) Bogey

Answer: C

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

81) Define distributive bargaining.

Answer: A competition over who is going to get the most of a limited resource (can be money, time, people, etc.)

82) List two situations when distributive bargaining strategies are useful.

Answer: When a negotiator wants to maximize the value obtained in a single deal and when the relationship with the other party is not important.

83) A negative bargaining range occurs when:

Answer: The seller's resistance point is above the buyer's.

84) How can a negotiation that begins with a negative bargaining range be resolved?

Answer: If one or both parties are persuaded to change their resistance points, or if someone else forces a solution upon them that one or both parties dislike.

85) Define BATNA.

Answer: Best Alternative To a Negotiated Agreement.

86) What can happen when one or both parties do not think they got the best agreement possible?

Answer: One party or the other may try to get out of the agreement later or try to recoup losses or get even.

87) "The higher the other party's estimate of your cost of delay or impasse, the stronger the other party's resistance point will be." Explain.

Answer: If the other party sees that you need a settlement quickly and cannot defer it, he or she can seize this advantage and press for a better outcome. Expectations will rise and the other party will set a more demanding resistance point. The more you can convince the other that your costs of delay or aborting negotiations are low (that you are in no hurry and can wait forever), the more modest the other's resistance point will be.

88) In a short essay, defend or refute the following statement: "The less the other party values an issue, the higher his or her resistance point will be."

Answer: The less the other party values an issue, the *lower* his or her resistance point will be. The resistance point may soften as the person reduces how valuable he or she considers that issue. If you can convince the other party that a current negotiating position will not have the desired outcome or that the present position is not as attractive as the other believes, then he or she will adjust the resistance point.

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89) What are the four important tactical tasks for a negotiator in a distributive bargaining situation?

Answer: (1) Assess the other party's outcome values and the costs of terminating negotiations; (2) manage the other party's impression of one's own outcome values; (3) modify the other party's perception of his or her own outcome values; (4) manipulate the actual costs of delaying or aborting negotiations.

90) What is the simplest way to screen a position?

Answer: Say and do as little as possible.

91) Define calculated incompetence.

Answer: The negotiating agent is not given all of the necessary information, making it impossible for information to be leaked.

92) Define selective presentation.

Answer: Negotiators reveal only the facts necessary to support their case.

93) Describe the use of emotional reaction.

Answer: Another form of direct action negotiators can take to provide information about what is important to them. Powerful displays allow negotiators to claim more value.

94) What are the three ways to manipulate the costs of delay in negotiation?

Answer: (1) Plan disruptive action; (2) ally with outsiders; (3) manipulate the scheduling of negotiations.

95) Why is it advantageous to make an extreme opening offer?

Answer: Gives more room for movement in negotiation and therefore more time to learn the other party's priorities. May create the impression that there is a long way to go before a reasonable settlement will be achieved and more concessions than originally intended may have to be made to bridge the difference between the two opening positions.

96) What are the disadvantages of making a more extreme opening offer?

Answer: It may be summarily rejected by the other party, and it communicates an attitude of toughness that may be harmful to long term relationships.

97) What characteristics of the original offer, opening stance and opening concession signal a position of firmness? Of flexibility?

Answer: Firmness: an extreme original offer, a determined opening stance, and a very small opening concession. Flexibility: a more moderate opening offer, a reasonable co-operative opening stance, and a more generous initial concession.

98) What are the advantages of adopting a flexible position?

Answer: Can learn about the other party's outcome values and perceived possibilities. Establishes a co-operative rather than combative relationship, hoping to get a better agreement. Keep negotiations going.

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99) Discuss the importance of reciprocating (or not reciprocating) concessions.

Answer: Concession making indicates an acknowledgment of the other party and a movement toward the other's position. It implies recognition of that position and its legitimacy. If the other party does not reciprocate, the concession maker may appear to be weaker by having given up something and received nothing in return. If the giver has made a major concession on a significant point, it is expected that the return offer will be on the same item or one of similar weight and somewhat comparable magnitude. To make an additional concession when none has been received (or when what was given was inadequate) can imply weakness and can squander valuable maneuvering room.

100) What is the disadvantage of letting the absence of further concessions convey the message of the final offer?

Answer: The other party may not recognize at first that the last offer was the final one and might volunteer a further concession to get the other to respond. Finding that no further concession results, the other party may feel betrayed and perceive that the pattern of concession-counter concession was violated.

101) What are the risks involved when using hardball tactics?

Answer: Harm to reputation, losing the deal, negative publicity, and dealing with the other party's revenge.

102) What are the strategies for responding to hardball tactics?

Answer: Ignore them, discuss them, respond in kind, and co-opt the other party. Also discussed in the text but not listed specifically: preparation, familiarity with hardball tactics, identification and discussing the tactics, halting the negotiation process, team negotiations.

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1) TRUE
2) TRUE
3) FALSE
4) TRUE
5) FALSE
6) TRUE
7) TRUE
8) FALSE
9) FALSE
10) FALSE
11) FALSE
12) TRUE
13) FALSE
14) TRUE
15) B
16) A
17) B
18) C
19) TRUE
20) FALSE
21) TRUE
22) FALSE
23) TRUE
24) TRUE
25) FALSE
26) TRUE
27) TRUE
28) A
29) A
30) B
31) FALSE
32) TRUE
33) TRUE
34) TRUE
35) TRUE
36) TRUE
37) TRUE
38) FALSE
39) FALSE
40) TRUE
41) C
42) C
43) B
44) B
45) TRUE
46) FALSE
47) TRUE
48) FALSE
49) TRUE
50) FALSE

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51) TRUE
52) TRUE
53) TRUE
54) TRUE
55) TRUE
56) B
57) A
58) B
59) B
60) B
61) A
62) C
63) B
64) TRUE
65) FALSE
66) TRUE
67) TRUE
68) FALSE
69) FALSE
70) FALSE
71) TRUE
72) FALSE
73) TRUE
74) TRUE
75) C
76) B
77) B
78) A
79) A
80) C
81) A competition over who is going to get the most of a limited resource (can be money, time, people, etc.)
82) When a negotiator wants to maximize the value obtained in a single deal and when the relationship with the other party is not important.
83) The seller's resistance point is above the buyer's.
84) If one or both parties are persuaded to change their resistance points, or if someone else forces a solution upon them that one or both parties dislike.
85) Best Alternative To a Negotiated Agreement.
86) One party or the other may try to get out of the agreement later or try to recoup losses or get even.
87) If the other party sees that you need a settlement quickly and cannot defer it, he or she can seize this advantage and press for a better outcome. Expectations will rise and the other party will set a more demanding resistance point. The more you can convince the other that your costs of delay or aborting negotiations are low (that you are in no hurry and can wait forever), the more modest the other's resistance point will be.
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89) (1) Assess the other party's outcome values and the costs of terminating negotiations; (2) manage the other party's impression of one's own outcome values; (3) modify the other party's perception of his or her own outcome values; (4) manipulate the actual costs of delaying or aborting negotiations.
90) Say and do as little as possible.
91) The negotiating agent is not given all of the necessary information, making it impossible for information to be leaked.
92) Negotiators reveal only the facts necessary to support their case.
93) Another form of direct action negotiators can take to provide information about what is important to them. Powerful displays allow negotiators to claim more value.
94) (1) Plan disruptive action; (2) ally with outsiders; (3) manipulate the scheduling of negotiations.
95) Gives more room for movement in negotiation and therefore more time to learn the other party's priorities. May create the impression that there is a long way to go before a reasonable settlement will be achieved and more concessions than originally intended may have to be made to bridge the difference between the two opening positions.
96) It may be summarily rejected by the other party, and it communicates an attitude of toughness that may be harmful to long term relationships.
97) Firmness: an extreme original offer, a determined opening stance, and a very small opening concession. Flexibility: a more moderate opening offer, a reasonable co-operative opening stance, and a more generous initial concession.
98) Can learn about the other party's outcome values and perceived possibilities. Establishes a co-operative rather than combative relationship, hoping to get a better agreement. Keep negotiations going.
99) Concession making indicates an acknowledgment of the other party and a movement toward the other's position. It implies recognition of that position and its legitimacy. If the other party does not reciprocate, the concession maker may appear to be weaker by having given up something and received nothing in return. If the giver has made a major concession on a significant point, it is expected that the return offer will be on the same item or one of similar weight and somewhat comparable magnitude. To make an additional concession when none has been received (or when what was given was inadequate) can imply weakness and can squander valuable maneuvering room.
100) The other party may not recognize at first that the last offer was the final one and might volunteer a further concession to get the other to respond. Finding that no further concession results, the other party may feel betrayed and perceive that the pattern of concession-counter concession was violated.
101) Harm to reputation, losing the deal, negative publicity, and dealing with the other party's revenge.
102) Ignore them, discuss them, respond in kind, and co-opt the other party. Also discussed in the text but not listed specifically: preparation, familiarity with hardball tactics, identification and discussing the tactics, halting the negotiation process, team negotiations.

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