Nonprofit Management 7th edition Worth Test Bank

SKU: 9781071884089-TEST-BANK

Nonprofit Management (7th)

ISBN 9781071884089 | Chapter 1

Total Questions: 50

Multiple Choice (28)

Q1. *[Multiple Choice] · Cognitive Domain: Comprehension*

Which has increased the need for management in the nonprofit sector?

a) a higher number of empowered donors
b) the reduced need to compete for contracts
c) the requirement to achieve measurable results ✓ correct
d) a higher amount of government funding

Q2. *[Multiple Choice] · Cognitive Domain: Comprehension*

Demands that organizational procedures comply with government regulations contributed to the need for _____.

a) dramatic organizational growth
b) trained managers ✓ correct
c) philanthropic contributions
d) long-term investments in nonprofits

Q3. *[Multiple Choice] · Cognitive Domain: Knowledge*

Which is true about revenue sources for nonprofits?

a) Revenue often comes from many different sources. ✓ correct
b) Revenue sources tend to come solely from government contracts.
c) Nonprofits typically don't have freedom to determine revenue sources.
d) Nonprofits can easily discontinue services that do not produce revenue.

Q4. *[Multiple Choice] · Cognitive Domain: Knowledge*

Managers of nonprofit organizations often measure their success by _____.

a) the number of volunteers recruited within a fiscal year
b) increasing the organization's nonfinancial resources
c) expanding services based upon yearly goals
d) achieving the mission within financial limits ✓ correct

Q5. *[Multiple Choice] · Cognitive Domain: Knowledge*

What was the first school of management in the United States?

a) Mandel Center for Nonprofit Organizations
b) Wharton School at the University of Pennsylvania ✓ correct
c) Yale Program on Nonprofit Organizations
d) Center on Philanthropy at Indiana University

Q6. *[Multiple Choice] · Cognitive Domain: Comprehension*

What are some of the key rewards of nonprofit managers may experience working in nonprofit management?

a) a highly stable and fiscally profitable career path
b) a high level of recognition and appreciation for work completed
c) the satisfaction of working to protect vulnerable populations ✓ correct
d) the ability to manage philanthropic funds with a high level of public support

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Q7. *[Multiple Choice] · Cognitive Domain: Comprehension*

People who view nonprofit organizations as social institutions portray nonprofit managers as _____.

a) social innovators
b) servants of society ✓ correct
c) capitalists
d) heroes

Q8. *[Multiple Choice] · Cognitive Domain: Application*

A leader of a nonprofit organization is designing a new type of water purification system to improve living conditions for children living in homes with incomes below the federal poverty threshold. Which type of entrepreneurship is the leader demonstrating?

a) private
b) public
c) health
d) social ✓ correct

Q9. *[Multiple Choice] · Cognitive Domain: Comprehension*

The complexity of the nonprofit manager's job frequently results in _____.

a) intervention by board members
b) frustration and burnout ✓ correct
c) a stable and growing salary
d) an opportunity to further one's education

Q10. *[Multiple Choice] · Cognitive Domain: Knowledge*

Which factor drove the recent nonprofit management revolution?

a) the introduction of competition for funding ✓ correct
b) an evolution of funding to state governments
c) fewer nonprofits entering the sector
d) decreased outsourcing of social services by government agencies

Q11. *[Multiple Choice] · Cognitive Domain: Knowledge*

Throughout history, management theorists argued that _____.

a) businesses required more educated managers
b) government organizations have the highest need for managers with distinctive skills
c) common management principles apply equally to all organizations ✓ correct
d) nonprofit managers do not need professional development

Q12. *[Multiple Choice] · Cognitive Domain: Knowledge*

The beginning of management as a field of study dates back to which century?

a) 17th
b) 18th
c) 19th ✓ correct
d) 20th

Q13. *[Multiple Choice] · Cognitive Domain: Knowledge*

Which organization accredits public administration's master's degree programs?

a) the Commission on Private Philanthropy and Public Needs
b) the Yale Program on Nonprofit Organizations
c) the Network of Schools of Public Policy, Affairs, and Administration ✓ correct
d) the Nonprofit Academic Centers Council

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Q14. *[Multiple Choice] · Cognitive Domain: Comprehension*

The perception that nonprofits are not managed as well as businesses is _____.

a) argued by for-profit corporations
b) not based on research ✓ correct
c) based on financial reports
d) spread by government agencies

Q15. *[Multiple Choice] · Cognitive Domain: Comprehension*

There has been a shift in thinking about nonprofits that emphasizes _____.

a) increasing the salaries of managers to levels comparable to their business peers
b) prioritizing the financial bottom line over other metrics
c) hiring managers with business administration degrees
d) building the strength of organizations themselves ✓ correct

Q16. *[Multiple Choice] · Cognitive Domain: Comprehension*

The double bottom line emphasizes that nonprofit managers should _____.

a) prioritize organizational goals and objectives above other metrics of success
b) achieve the organization's mission within financial means ✓ correct
c) hold themselves accountable to donors' expectations
d) increase the fiscal value of the organization and compensate volunteers

Q17. *[Multiple Choice] · Cognitive Domain: Comprehension*

According to Herman, one of the differences in managing a nonprofit versus a for-profit corporation is that nonprofit organizations _____.

a) primarily make mission- and values-driven decisions ✓ correct
b) have a reduced need for managers with financial expertise
c) do not complete tax-related paperwork for the Internal Revenue Service
d) procure all funding through donations and grants

Q18. *[Multiple Choice] · Cognitive Domain: Knowledge*

According to Higgins, which is true about nonprofit organizations?

a) They have a reduced need for volunteer workers in recent years.
b) Their employees tend to be less experienced than those in the corporate sector.
c) Their board members with different goals and agendas. ✓ correct
d) They adopt a narrow mission focus.

Q19. *[Multiple Choice] · Cognitive Domain: Knowledge*

Nonprofit management literature is drawn from which four areas?

a) social science research, customer complaints, organizational theory, and reports prepared by practitioners
b) social science research, organizational theory, Internal Revenue Service financial reports, and community feedback
c) Internal Revenue Service financial reports, community feedback, organizational theory, and social science research
d) social science research, organizational theory, nonprofit studies, and practitioner reports ✓ correct

Q20. *[Multiple Choice] · Cognitive Domain: Knowledge*

According to Frumkin, the “expressive” purpose of nonprofits is to _____.

a) provide an outlet for individuals’ values and passions ✓ correct
b) serve the public in ways similar to government services
c) solve problems not recognized or considered profitable by businesses
d) apply business strategy for purely philanthropic purposes

Q21. *[Multiple Choice] · Cognitive Domain: Knowledge*

Individuals who believe that nonprofit organizations should apply business methods of management perceive nonprofit organizations as _____.

a) public institutions
b) government institutions
c) social enterprises ✓ correct
d) education institutions

Q22. *[Multiple Choice] · Cognitive Domain: Knowledge*

Which university received the first NASPAA-accredited master’s degree program in nonprofit management?

a) University of Maine
b) University of Wisconsin
c) University of Central Florida ✓ correct
d) University of South Alabama

Q23. *[Multiple Choice] · Cognitive Domain: Knowledge*

The writings of Billy Shore, Ann Goggins Gregory, and Don Howard contributed to a change in thinking about philanthropic foundations that recommends focusing investments and efforts on _____.

a) expanding programs
b) reducing operational costs
c) building sustainability ✓ correct
d) carrying out research

Q24. *[Multiple Choice] · Cognitive Domain: Knowledge*

Helmut Anheier wrote that nonprofit organizations require a multi-faceted, flexible approach to management because _____.

a) authority in nonprofit organizations flows from top to bottom
b) acquisition of resources tends to be the largest driving factor in nonprofit organizations
c) activities and goals in nonprofit organizations tend to be clear and straightforward
d) nonprofit organizations consist of many components and complex coalitions of stakeholders ✓ correct

Q25. *[Multiple Choice] · Cognitive Domain: Knowledge*

Who first suggested that management be a distinct field of study?

a) Billy Shore
b) Christine Letts
c) Henry Towne ✓ correct
d) Helmut Anheier

Q26. *[Multiple Choice] · Cognitive Domain: Knowledge*

Which university was the first to offer a bachelor’s degree in philanthropy?

a) Harvard University
b) University of Wisconsin
c) Indiana University ✓ correct
d) University of Maryland

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Q27. *[Multiple Choice] · Cognitive Domain: Application*

Amir identified an opportunity to meet the needs of young parents in a new way. He applied a creative fundraising technique to secure the funds to open a counseling center where his new program was offered. Amir is demonstrating the characteristics of _____.

a) social innovation ✓ correct
b) social intrapreneurship
c) social science
d) social counseling

Q28. *[Multiple Choice] · Cognitive Domain: Comprehension*

There is often a common misconception that nonprofits are generally poorly managed because their success is _____.

a) measured against businesses of equal size and operational value
b) measured by progress towards a social goal ✓ correct
c) dependent on the level of governmental funding there are awarded
d) dependent primarily on donations from individual donors

True/False (10)

Q29. *[True/False] · Cognitive Domain: Knowledge*

One of the ways that nonprofit organizations differ from for-profit corporations is their type of stakeholders.

a) True ✓ correct
b) False

Correct answer: True

Q30. *[True/False] · Cognitive Domain: Knowledge*

One source of nonprofit management literature comes from academics at universities.

a) True ✓ correct
b) False

Correct answer: True

Q31. *[True/False] · Cognitive Domain: Knowledge*

Many tend to view nonprofit organizations as more poorly managed than businesses because of society's bias toward striving for financial success.

a) True ✓ correct
b) False

Correct answer: True

Q32. *[True/False] · Cognitive Domain: Knowledge*

The beginning of management as a field of study dates approximately to the late 19th century.

a) True ✓ correct
b) False

Correct answer: True

Q33. *[True/False] · Cognitive Domain: Knowledge*

Most small businesses fail within the first two years of business.

a) True
b) False ✓ correct

Correct answer: False

Q34. *[True/False] · Cognitive Domain: Comprehension*

Nonprofits receive all of their revenue from governments.

a) True

b) False ✓ correct

Correct answer: False

Q35. *[True/False] · Cognitive Domain: Comprehension*

Mendel argues that nonprofit studies must go beyond traditional accountability and include political studies.

a) True ✓ correct

b) False

Correct answer: True

Q36. *[True/False] · Cognitive Domain: Knowledge*

A recent shift in thinking about nonprofits focuses more on building up the sustainability of nonprofit organizations as opposed to the services a nonprofit offers.

a) True ✓ correct

b) False

Correct answer: True

Q37. *[True/False] · Cognitive Domain: Knowledge*

The revolution in nonprofit management was caused, in part, by increased competition among nonprofits and businesses for informed consumers.

a) True ✓ correct

b) False

Correct answer: True

Q38. *[True/False] · Cognitive Domain: Comprehension*

The acronym NASPAA accredits master of public administration (MPA) programs.

a) True ✓ correct

b) False

Correct answer: True

Essay (12)

Q39. *[Essay] · Cognitive Domain: Analysis*

Compare and contrast nonprofit management versus business management.

Suggested answer: *Sample response: Nonprofit and business management are the same in that they both must be concerned about meeting the organizational mission and ensuring adequate revenue resources are available. The two management practices are different in that nonprofit managers are also reliant on the support of donors and the work of volunteers, whereas business management does not. Nonprofit managers are driven by mission rather than profits.*

Q40. *[Essay] · Cognitive Domain: Analysis*

What is the difference between a for-profit business providing a service to its customers and a nonprofit providing a service to its customers?

Suggested answer: *Sample response: When a business provides a service to its customers, it increases its resources, including its financial resources. However, when a nonprofit provides services, their resources are drained.*

Q41. *[Essay] · Cognitive Domain: Application*

In your opinion, do managers of nonprofit organizations manage using a double bottom line or a triple bottom line? Explain.

Suggested answer: *Sample response: I believe managers of nonprofit organizations must use the double bottom line of (1) meeting the organizations' social mission and (2) maintaining a financial bottom line to ensure organizational survival. I believe the suggested third bottom line, "the organization's impact on the environment," is subject to the nonprofit's purpose.*

Q42. *[Essay] · Cognitive Domain: Knowledge*

What are two common ways the term "social entrepreneurship" is defined and used?

Suggested answer: *Sample response: Dees and Anderson use the term to mean the same thing as "social innovation." Others use the term to refer to the application of business principles to revenue generation to nonprofits or creating for-profits with a social purpose.*

Q43. *[Essay] · Cognitive Domain: Comprehension*

According to a 2019 study by scholars Mirabella, Hoffman, Teo, and McDonald, what is true about the field of nonprofit management and philanthropic studies?

Suggested answer: *Sample response: This study found that nonprofit management and philanthropic studies have not yet completely emerged as a distinct field of study.*

Q44. *[Essay] · Cognitive Domain: Analysis*

What did Robert Higgins write was a big difference between nonprofit and for-profit management? What implications does this difference have?

Suggested answer: *Sample response: According to Higgins, all stakeholders in for-profit management tend to have a shared goal of creating shareholder value. In the nonprofit sector, each stakeholder may come to the table with different goals. This makes nonprofit management much more difficult and complex.*

Q45. *[Essay] · Cognitive Domain: Comprehension*

What are the three main factors that contributed to the nonprofit management revolution of recent decades?

Suggested answer: *Sample response: The nonprofit management revolution occurred due to changes in funding patterns, growth in the sector, and increasing demands for accountability.*

Q46. *[Essay] · Cognitive Domain: Comprehension*

Identify management constraints that may be found in a nonprofit organization.

Suggested answer: *Sample response: Managerial constraints that arose during the nonprofit management revolution include increased competition among nonprofit organizations, decreased government funding, and demands for financial accountability.*

Q47. *[Essay] · Cognitive Domain: Comprehension*

The research article "Virtuous Capital, What Foundations Can Learn from Venture Capitalists" cites what concern regarding traditional grant-making practices used by foundations?

Suggested answer: *Sample response: The authors of the article are concerned that traditional grant-making practices do not meet the long-term capacity needs of nonprofit organizations.*

Q48. *[Essay] · Cognitive Domain: Application*

Determine the type of organization—a business or a nonprofit—where success is more difficult to come by. Why?

Suggested answer: *Sample response: Success is more difficult to achieve when managing nonprofit organizations. Nonprofit chief executive officers (CEOs) must deal with more ambiguity than business managers. For example, business managers usually have clearly established goals and objectives set by paid corporate directors who share the same goals, values, and differing reasons for serving. Nonprofit CEOs work with volunteer directors who are likely to have different values, ethics, and agendas, and the CEO needs to be highly skilled in achieving consensus among these differing perspectives. Finally, business managers are ultimately responsible for ensuring the organization is profitable so dividends can be distributed to their shareholders. The ultimate responsibility for nonprofit managers is to ensure the organizational mission to serve a social purpose is achieved.*

Q49. *[Essay] · Cognitive Domain: Application*

Should nonprofit management programs be taught in business schools, schools of public affairs and administration, or in colleges of arts and sciences? Defend your answer.

Suggested answer: *Sample response: I believe nonprofit programs are best taught in the schools of public affairs and administration. I choose this discipline because the field of public affairs and administration more broadly covers topic areas involving nonprofit organizations than do business schools and colleges of arts and sciences. For example, nonprofit curricula must include studies related to understanding political processes and how public policies are developed. Also, nonprofit managers must know how to apply government budgeting principles, implement public policies, and create community organizations. These are essential topics nonprofit managers need to understand in order to achieve their purposes to serve social needs.*

Q50. *[Essay] · Cognitive Domain: Application*

In your opinion, why must managers of nonprofit organizations be especially skilled in negotiation and compromise?

Suggested answer: *Sample response: I believe managers must be highly skilled in negotiation and compromise because managers of nonprofit organizations work in highly variable internal and external environments. Internally, the boards of directors, paid staff, volunteers, and clients are becoming increasingly sophisticated in their understandings of what types of work nonprofits should be doing, the need for flexible types of organizational structures, and what types of incentives they can be offered. Externally, the federal, state, local governments, and fundraising organizations are exerting more demands for financial accountability, and competing nonprofits strain available revenue streams.*