Understanding Canadian Business (Canadian) 11th edition Nickels Test Bank

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Understanding Canadian Business 11ce Edition by Nickels Ch01

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

1) Any activity that produces a good or provides a service to others, while operating at a profit, is considered a business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-01 Business Fundamentals
Difficulty : Easy

2) Businesses seek to earn a profit by providing goods and services to others.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-01 Business Fundamentals
Difficulty : Easy

3) Revenue is the amount a business earns above and beyond what it spends for expenses and costs.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-02 Revenues, Profits, and Losses
Difficulty : Medium

4) All businesses make a profit.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-02 Revenues, Profits, and Losses

5) If a business' costs and expenses are greater than its revenue, it will suffer a loss.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-02 Revenues, Profits, and Losses

6) Profits of a business include the salaries paid to the owners and employees of that business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-02 Revenues, Profits, and Losses

7) Any loss from a business will result in a bankruptcy.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-02 Revenues, Profits, and Losses
Difficulty : Medium

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8) An owner who closes a business to start a new one is reported as a bankruptcy by Industry Canada.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-02 Revenues, Profits, and Losses
Difficulty : Hard

9) A firm can increase its profits by decreasing expenses and increasing its sales revenue.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-02 Revenues, Profits, and Losses
Difficulty : Medium

10) Business expenses minus revenues equal profit.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-02 Revenues, Profits, and Losses
Difficulty : Medium

11) The ABC Corporation generated total revenues of $100 million dollars while incurring expenses of $60 million. Therefore, during the year ABC Corp. earned a profit of $40 million.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-02 Revenues, Profits, and Losses
Difficulty : Medium

12) One of the elements of risk is the chance of a loss.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-03 Matching Risk with Profit

13) Profit is money a business earns over and above the money you pay yourself in salary and expenses.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Medium
Topic : 01-03 Matching Risk with Profit

14) Maintaining a high quality of life requires the combined efforts of businesses, non-profit organizations, and government agencies.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-04 Standard of Living and Quality of Life

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15) The term standard of living refers to the amount of goods people can buy with the money they make from their business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Medium
Topic : 01-04 Standard of Living and Quality of Life

16) The more money businesses create, the more is potentially available to improve the quality of life for everyone.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-04 Standard of Living and Quality of Life

17) Stakeholders are all the people who stand to gain or lose by the policies and activities of a business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

18) Stakeholders include customers, employees, stockholders, suppliers, dealers, bankers, government officials, and environmentalists.

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

19) By balancing the demands of customers and stockholders, businesses have actually satisfied the demands of all stakeholders.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

20) A Canadian company is said to be outsourcing when it sources part of the purchased inputs from outside of Canada.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

21) Companies have gone from outsourcing production jobs to offshoring research and development.

◎ true
◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

22) A recent indicated that automation solutions, risk management, and disruptive technologies influence how outsourcing will continue to grow.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

23) In Canada, most of the offshoring that occurs is with the United States.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

24) It is legal to outsource and offshore.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

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25) Business decisions should consider the interests of customers, employees, suppliers, government officials, and stockholders.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

26) Pleasing all stakeholders is easy.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

27) A charitable organization, whose goals do not include making a personal profit for its owners or organizers, such as the Red Cross or the Salvation Army, is best classified as a small business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

28) Non-profit organizations are similar to businesses in that they often provide goods and services that satisfy the needs of society.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

29) Unlike businesses, employees of non-profit organizations are not required to learn the business skills of accounting, marketing, or financial management.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

30) Starting a business is a riskier path toward business success than working your way up the ranks of a large business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-07 Entrepreneurship Versus Working for Others

31) Paid vacations and a generous pension are among the benefits provided by the government to entrepreneurs.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-07 Entrepreneurship Versus Working for Others

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32) A lesson to learn from the story of Ron Joyce, who became a franchisee in the first Tim Hortons, is that to be a successful entrepreneur you need to find something that you love to do.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-07 Entrepreneurship Versus Working for Others

33) Knowledge is one of the five factors of production that contributes to the creation of wealth.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

34) Tools, machinery, and land are all types of capital resources.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

35) Labour is the primary source of wealth in poor countries.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

36) Entrepreneurship is one of the five factors of production that contribute to the creation of wealth.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

37) The two factors of production that are the most important for creating wealth are entrepreneurship and the effective use of knowledge.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

38) Capital is now easy for firms to find in world markets.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

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39) Countries with an inadequately trained work force and few entrepreneurs often achieve the highest levels of income by relying on a large number of workers.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

40) If they wish to create more wealth, poor nations should focus on policies that increase entrepreneurship and the effective use of knowledge.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

41) One of the five factors of production is capital, which includes machines, tools, buildings, land, money, or whatever else is used in the production of goods.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

42) The social environment is not considered an element of the business environment.

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-09 The Business Environment

43) The business environment typically changes very little over the decades.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-09 The Business Environment

44) Well-managed businesses will grow and prosper regardless of the business environment in which they operate.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Topic : 01-09 The Business Environment
Learning Objective : 01-04 State the six elements that make up the business environment, and explain

45) Taxes and anti-corruption laws are part of the legal environment in which businesses operate.

◎ true
◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-10 The Legal Environment

46) High taxes and government restrictions help to encourage entrepreneurs by providing greater incentives for people to work hard and create profit.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-10 The Legal Environment

47) Governments can decrease the risk of entrepreneurship by passing laws that enable business people to write contracts that are enforceable in court.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-10 The Legal Environment

48) Corruption and illegal activities are expected in a capitalist system and can be beneficial.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-10 The Legal Environment

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49) Countries that keep taxes and regulations to a minimum provide the best environment for competitive businesses.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-10 The Legal Environment

50) Laws that allow businesses to write enforceable contracts decrease the risk of doing business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-10 The Legal Environment

51) The economy affects both businesses and consumers.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-11 The Economic Environment

52) The movement of a country's currency relative to other currencies is not part of the economic environment.

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-11 The Economic Environment

53) The degree of entrepreneurship present is part of the economic environment.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-11 The Economic Environment

54) Each business environment acts independently of any other environment.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-11 The Economic Environment

55) Technology refers to innovations from applied science or engineering research.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

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56) E-business is mostly done with Web technologies.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

57) E-commerce is the buying and selling of products and services by businesses and consumers over the Internet.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

58) E-commerce only covers one aspect of e-business.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

59) Technology refers to everything that makes business operations more efficient and productive.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

60) Technology affects people in a select number of industries.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

61) Technology allows firms to be more responsive to their customers' wants and needs.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

62) Efficiency is usually more important than effectiveness.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

63) Social media marketing falls under the technological environment.

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

64) The B2C market consists of selling goods and services from one business to another.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

65) The Internet has increased and improved a business's responsiveness to their customers.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

66) The Internet is more important to business-to-business segment of e-commerce than to the business-to-consumer segment of e-commerce.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

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67) PIPEDA sets out how companies may collect, use and disclose personal information.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

68) Crowdsourcing helps businesses to find solutions to challenges.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

69) Identity theft is no longer a problem in Canada or the United States.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

70) During COVID-19, 2 in 5 small-business owners were forced to rely on social media accounts after in-person communication was cut out.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

71) Federal privacy laws set out the ground rules for how public sector organizations may collect, use, or disclose personal information in the course of commercial activities.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

72) Factors that drive competition include entry, power of buyers and suppliers, and existing competitors and substitutes.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

73) The goal for many companies is zero defects in their products.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

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74) To remain competitive in today's market, firms must produce a high-quality product and offer outstanding service and products at competitive prices

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

75) Producing a high-quality product will ensure success in the competitive environment.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

76) Successful firms follow a customer-driven strategy, as opposed to the management-driven strategy used in the past.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

77) The competitive environment now empowers managers to make decisions quickly for their front-line employees.

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- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

78) A policy of empowerment is when managers must train front-line employees to make decisions within certain limits, without the need to consult managers.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

79) Empowerment policies are supported by the restructuring an organization.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

80) The goal of empowerment in the work environment is to give management more control over the actions of lower-level workers.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

81) One way an organization can restructure to better meet the needs of customers is to train front-line people to make decisions within certain limits.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

82) An example of a customer-driven organization is Disney amusement parks.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

83) The statistical study of the human population to describe its size, age, gender, and income is known as demography.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

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84) Businesses use demographic studies to understand where people live, their lifestyles, and what they are likely to buy.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

85) The baby-boom includes those people born from 1946 to 1964.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

86) Demographic trends suggest that businesses will benefit from offering elder care and child care to help employees balance the demands of job and family.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

87) Generation Y is also known as Millennials.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

88) Generation X is also known as Baby Boomers.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

89) Most students are part of Generation Z.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

90) The 20-34 age group is declining in Canada.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

91) Companies will not have to respond to the trend of an aging population.

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

92) The portion of the Canadian population that is very young (0-14) is forecast to increase.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

93) Population studies indicate that the percentage of elderly in Canada is likely to remain unchanged.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

94) Demographic changes create new business opportunities.

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

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95) Some observers feel that baby boomers will have a large impact on the economy even as they reach retirement age.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

96) Baby boomers are those people born between 1965 and 1980.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

97) Gen Z will soon be the smallest group of consumers in the world.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

98) Approximately 55% of immigrants come to Canada as skilled workers, skilled trades, and business immigrants.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

99) The proportion of foreign-born in the Canadian population has been decreasing since the 1990s.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

100) Canada's workforce is widely diverse.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

101) Two important global environment changes in recent years have been the growth of global competition and free trade.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

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102) Manufacturers in China, and India pose little threat to Canadian firms because they are unable to meet the quality levels demanded by Canadian and European consumers.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

103) Global competition has decreased in recent years.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

104) Circular systems date back to 1927.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

105) As businesses expand to serve global markets, new jobs will be created in the manufacturing and service industries.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

106) A circular economy refers to reusing, redistributing, refurbishing, and recycling products rather than disposing of them.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

107) World trade has grown in part because of the development of efficient distribution systems.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

108) Saving energy is part of greening.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

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109) Climate change is not important to the international business community.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

110) Greening impacts every type of business decision.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

111) Saving energy and producing products that cause less harm to the environment is called climate change.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

112) A continuously changing global environment creates a need for continuous learning.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

113) Today, more than ever, Canadian businesses require more workers in industries that produce goods.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-16 The Evolution of Canadian Business

114) The goods-producing sector includes manufacturing, utilities, agriculture, and service.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

115) The number of Canadian jobs in manufacturing has increased in the past five years.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

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116) Manufacturing is no longer an important part of the Canadian economy.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

117) While the proportion of workers employed in agriculture has remained relatively constant, the average size of farms has steadily decreased over the past century.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

118) Technology has increased productivity on farms, allowing for larger farms.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

119) The advice provided by a lawyer is an example of the service industry.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

120) In Canada, the majority of jobs are generated in the services-producing sector.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

121) Although employment in the service sector has increased rapidly in recent years, the vast majority of workers are still employed in the goods producing sector.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

122) There are more high-paying jobs in the goods-producing sector than in the service sector.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

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123) Firms providing high-paying service jobs are found in areas like health care, telecommunications, and finance.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

124) The growth in the service sector in Canada has, in part, been due to technological improvements.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

125) Even though many jobs have been lost in farming, the loss to society is minimal if wealth created by increased productivity and efficiency creates new jobs elsewhere.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

126) The services producing sector employs almost 79 percent of the working population.

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

127) The continuing increase in the number of Canadian workers in the service sector means that more and more workers are employed in low-wage positions.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

128) Samir is a financial planner who helps people find ways to save for retirement and lower their taxes. Samir is employed in the service sector of the economy.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

129) After losing her manufacturing job in the Canadian automobile industry, Juanita has found that well-paid service sector jobs require retraining and further education.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

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130) Some growth in the service sector has come after large manufacturers contracted out some jobs.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

131) Some service firms have been created to provide services that used to be performed by women who were at home and not in the workforce.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

132) The service era is now coming to a close, being replaced by an information-based revolution.

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-19 Progress in the Information Age

133) The information-based global revolution will impact all sectors of the economy.

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-20 Your Future in Business

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

134) Experts say that today's post-secondary graduates will likely hold _____ jobs in their lifetime.

A) 3-4
B) 5-6
C) 7-8
D) 9-10

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-01 Business Fundamentals
Difficulty : Hard

135) A business is any activity that seeks to provide goods and services while operating:

A) machinery
B) revenue
C) at a profit
D) with social goals

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Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-01 Business Fundamentals
Difficulty : Easy

136) A(n) _____ is a person who assumes the risk of starting and managing a business.

A) manager
B) entrepreneur
C) government official
D) stakeholder

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-01 Business Fundamentals
Difficulty : Easy

137) A business incurs a _____ if its costs and expenses exceed its revenues.

A) loss
B) profit
C) debit
D) dividend

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-02 Revenues, Profits, and Losses

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138) _____ is the chance an entrepreneur will lose the time and money invested in a business that proves to be unprofitable.

A) Depreciation
B) Risk
C) Fallibility
D) Redundancy

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-03 Matching Risk with Profit

139) The total amount of money that businesses take in over a given period of time for selling goods and services is called:

A) profit
B) revenue
C) loss
D) retained earnings

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-02 Revenues, Profits, and Losses

140) A loss occurs when a business's expenses are greater than its:

A) profit
B) revenue
C) debit
D) credits

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Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Topic : 01-02 Revenues, Profits, and Losses
Difficulty : Medium

141) The chance of loss is known as:

A) debt
B) bankruptcy
C) neglect
D) risk

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-03 Matching Risk with Profit

142) As a business owner, the more risks you take, the:

A) greater the potential reward.
B) lower the expected revenues.
C) lower the value provided to society.
D) greater the number of stakeholders.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-03 Matching Risk with Profit

143) Risk is the chance an entrepreneur takes of losing money and _____ on a business.

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A) time
B) profit
C) stakeholders
D) revenue

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Medium
Topic : 01-03 Matching Risk with Profit

144) Shelley recently opened a new restaurant specializing in fast foods prepared with less fat and calories for health-conscious diners who are in a hurry. Shelley knows that there are some risks associated with opening and managing a restaurant, but she is confident that she can earn a profit. Shelley is an example of a(n):

A) arbitrageur.
B) entrepreneur.
C) speculator.
D) account manager.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Hard
Topic : 01-03 Matching Risk with Profit

145) A key characteristic of entrepreneurs is that they:

A) are willing to accept the risks involved in starting and managing a business.
B) have a high level of scientific and technical expertise.
C) possess a great deal of personal wealth.
D) have experience in running large, complex organizations.

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Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Medium
Topic : 01-03 Matching Risk with Profit

146) Making a new type of automobile involves:

A) the service economy
B) arbitrage
C) profits
D) high risk

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Medium
Topic : 01-03 Matching Risk with Profit

147) A potential business owner has to find the right balance between risk and _____.

A) speculation
B) time
C) revenue
D) profit

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Hard
Topic : 01-03 Matching Risk with Profit

148) Quality of life refers to:

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A) the outsourcing of job functions.
B) the amount of good and services people can buy.
C) addressing the needs of all stakeholders when making a business decision.
D) the general well-being of a society.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Medium
Topic : 01-04 Standard of Living and Quality of Life

149) Which of the following most likely explains why the price of certain goods in country A may be higher than the price of those same goods in Country B?

A) Country A has a lower profit margin than Country B.
B) Country A has higher tax rate and stricter government regulations.
C) Country A has multiple new stakeholders.
D) Country A does not enforce environmental regulations.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Medium
Topic : 01-04 Standard of Living and Quality of Life

150) The customers, employees, stockholders, and financial institutions that can gain or lose by the policies and activities of a business represent the firm's:

A) market makers.
B) economic environment.
C) stakeholders.
D) social mentors.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

151) Stakeholder types such as retailers, media, and customers can be best considered as:

A) primary.
B) secondary.
C) primary and secondary.
D) secondary and tertiary.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

152) The challenge of this century is for organizations to balance, as much as possible:

A) macro and micro economic forces
B) profit vs non-profit
C) profits and losses
D) the needs of all stakeholders

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

153) Which of the following is NOT a stakeholder?

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A) Government
B) Non-profit businesses
C) Employees
D) Customers

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

154) Offshoring entails:

A) sourcing parts outside of the country.
B) assigning various functions to outside organizations.
C) having a limited life.
D) being controlled by a board of directors.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

155) Insourcing can be found in what industry, according to the text?

A) Retail sector
B) Non-profit sector
C) Automotive sector
D) Agriculture

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

156) In Canada, most of the offshoring that occurs is with what country?

A) China
B) India
C) The United States
D) England

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

157) Companies have gone from outsourcing jobs to offshoring:

A) the purchase of inputs
B) profits
C) stakeholders
D) research and development

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

158) When might offshoring backfire?

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A) If the procedures followed in managing the outsourced function remain the same.
B) If the overseas company uses the information to produce its own competitive product.
C) When all of the current suppliers to the outsourced function are retained.
D) If the cost of the function is reduced by at least 50 percent.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

159) Non-profit organizations do all of the following EXCEPT:

A) Contribute to welfare of society
B) Provide economic activity
C) Create jobs
D) Generate shareholder profit

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

160) What is a social entrepreneur?

A) An individual who has a goal of shareholder profit.
B) Any new business start-up with social goals.
C) An individual who uses business principles to start and manage a non-profit organization.
D) An individual working for a profit organization.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

161) Non-profit organizations:

A) last for only short periods of time as their objective is not to create profits for their owners.
B) have a hard time hiring employees as they have no means of paying them.
C) are run for personal profit but not shareholder profit.
D) can provide an opportunity for individuals to address social issues.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

162) In Canada, about how many people work for the country's charities and non-profits?

A) 1.5 million
B) 2.5 million
C) 5.5 million
D) 10.5 million

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

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163) There are two ways to succeed in business. One way is to rise up through the ranks of a large company. What is the other way?

A) Working for the government.
B) Working for a non-profit organization.
C) Working for a small business.
D) Starting a business.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-07 Entrepreneurship Versus Working for Others

164) The resources that contribute to the creation of wealth are known as:

A) production coefficients.
B) factors of production.
C) production technologies.
D) production aggregates.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

165) Which of the following is a factor of production?

A) bonds
B) money
C) knowledge
D) service

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

166) Machines, tools, buildings, and other means of manufacturing are called:

A) capital goods.
B) labour.
C) equipment.
D) machinery.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

167) As a factor of production, the term capital includes:

A) stocks and bonds issued by corporations.
B) natural resources such as land and water.
C) tools, machinery, and buildings.
D) services provided by the government that enable businesses to be more productive.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

168) All of the following are factors of production, EXCEPT:

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A) labour.
B) capital.
C) land.
D) money.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

169) The two factors of production that seem to contribute the most to making countries rich are:

A) land and labour.
B) land and capital.
C) entrepreneurship and labour.
D) entrepreneurship and knowledge.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

170) Mandeep has started up a new ride-share service. The vehicles that he has leased is an example of:

A) a natural resource.
B) intangible resources.
C) labour.
D) capital.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

171) As you consider the factors of production, which of them will be the most important contributing factor to increasing the nation's wealth?

A) Land
B) Labour
C) Knowledge
D) Capital

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

172) Which of the following is the most accurate statement about the impact of entrepreneurs?

A) Land is a more important factor of production than the impact of entrepreneurs.
B) Labour is the primary source of wealth today, followed by the impact of entrepreneurs.
C) Capital is the primary source of wealth today, followed by the impact of entrepreneurs.
D) Entrepreneurs, and the use of knowledge are the primary source of wealth today.

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Hard
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

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173) Which of the following factors of production is the most important contributing factor to increasing a nation's wealth?

A) Natural resources
B) Entrepreneurship
C) Labour
D) Capital

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

174) Which of the following is NOT considered a factor of production?

A) Laws
B) Land
C) Labour
D) Capital

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

175) Which of the following statements about factors of production is the most accurate?

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A) the five factors of production are energy, capital, labour, leadership, and money.
B) wealth creation in poor nations is slowed by chronic shortages of labour.
C) each of the factors of production is equally important in creating wealth.
D) entrepreneurship and knowledge are the most important in creating wealth.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

176) Johnsonville is a small and poor nation, but its current president has a genuine desire to create more wealth for Johnsonville's citizens. The president has received recommendations from several of her advisors. Which of the following recommendations is likely to create the most wealth for Johnsonville?

A) acquire more land by invading a neighboring country that is even poorer and weaker than Johnsonville.
B) use foreign aid from other nations to purchase more tools and machinery.
C) establish a business environment that promotes and rewards entrepreneurship.
D) establish barriers to trade to protect Johnsonville businesses from foreign competition.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

177) Good schools and good health care result from a foundation of the:

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A) right business environment.
B) starting for-profit businesses.
C) controlling business environments.
D) resistance to change.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Topic : 01-09 The Business Environment
Learning Objective : 01-04 State the six elements that make up the business environment, and explain

178) Lower tax rates tend to:

A) depress economic development.
B) limit a nation's tradable currency.
C) encourage entrepreneurship.
D) increase the amount of money created by the government.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-10 The Legal Environment

179) In countries where businesses are government owned:

A) there is less incentive to work hard.
B) the right amount of each good is produced.
C) profits tend to be higher.
D) the quality of goods is high, but profits are low.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-11 The Economic Environment

180) One economic environmental factor of great importance to many businesses is:

A) the actions of non-profits
B) the movement of the Canadian dollar
C) stakeholder activities
D) entrepreneurship

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-11 The Economic Environment

181) Employers provide tools and technology for their employees in order to:

A) increase the cost of production and profitability.
B) improve their efficiency and productivity.
C) to reduce corruption in business and eliminate scandals.
D) encourage the private ownership of businesses.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

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182) The example of Don Glenn, a farmer using his computer to compare data from the previous year's harvest with satellite photos of his farm to know which crops are flourishing is an example of what?

A) managers in Canada motivating employees with large pay raises
B) the benefits of technology
C) the importance of land as a factor of production
D) the differences in wage rates between rural and urban dwellers

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

183) _____ refers to the amount of output generated with a given amount of input, e.g., number of pizzas produced per worker per hour.

A) Efficiency
B) Technology
C) Telecommuting
D) Productivity

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

184) _____ means producing items with the least amount of resources.

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A) Efficiency
B) Technology
C) Effectiveness
D) Productivity

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

185) The two main types of e-commerce are:

A) online and offline.
B) M2M and M2N.
C) wholesale and retail.
D) B2B and B2C.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

186) When businesses sell to other businesses over the Internet, these transactions are known as:

A) B2C transactions.
B) e-wholesale transactions.
C) B2B transactions.
D) intermediate e-commerce transactions.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

187) Companies that sell goods to consumers over the Internet are engaging in:

A) B2C transactions.
B) IOU transactions.
C) B2B transactions.
D) Y2K transactions.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

188) The buying and selling of goods and services online is known as what?

A) E-commerce.
B) IOU transactions.
C) B2B transactions.
D) Y2K transactions.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

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189) Summit Gifts, Inc., is a firm that keeps information on its regular customers, including names, addresses, the types of gifts they have ordered in the past, and frequency of their orders. The electronic file in which this information is stored in an example of a:

A) spreadsheet.
B) MP3 file.
C) PERT file.
D) database.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

190) Luna received a telephone call from her credit card company asking if she had just placed a large offshore order using her credit card. Luna indicated that she had not. The illegal use of Luna's credit card probably happened because Luna:

A) had loaned her credit card to a personal friend
B) had not used her credit card for many months
C) has made frequent on-line purchases, one in which identity theft occurred
D) had just been approved for a new credit card

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

191) The federal privacy law is known as what?

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A) CITA
B) PIPEDA
C) SCEF
D) CRA

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

192) To be successful in today's markets, businesses must:

A) provide the greatest variety of products to consumers.
B) spend more money on marketing and less on production.
C) focus their resources on understanding economic cycles.
D) delight customers with a quality product at a good price and outstanding service.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

193) Successful businesses are keenly focused on their:

A) customers
B) managers
C) creditors
D) bureaucrats

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

194) In the competitive environment, powerful buyers exist when there are:

A) few in number
B) high fixed costs
C) high switching costs
D) many distribution points

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

195) Business has changed over time, traditionally business was more focused on the product and how to sell it. Today business is more focused on:

A) quality and service.
B) reliability.
C) marketing.
D) production.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

196) To be effective, empowerment will require lower-level workers to:

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A) have more training.
B) accept less responsibility and lower wages.
C) receive less training.
D) have written policies regulating each aspect of their work.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

197) Empowerment requires that managers focus more on _____ lower-level employees.

A) directly supervising
B) training
C) simplifying the jobs of
D) controlling

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

198) The statistical study of human population to learn its size, density, and characteristics is called:

A) psychographics
B) econometrics
C) demography
D) geometry

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

199) _____ provides information to businesses concerning where people live, what they buy, and how they spend their time.

A) Sociography
B) Econometrics
C) Demography
D) Anthropology

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

200) Those individuals born in Canada between 1946 and 1964 are referred to as:

A) Baby Boomers.
B) Generation X.
C) Echoes.
D) Diversity workers.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

201) People born in Canada between 1977 and 1994 are referred to as:

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A) Baby Boomers.
B) Generation X.
C) Millennials.
D) Diversity workers.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

202) According to statistics Canada, by 2036 what proportion of the population will be Generation Z?

A) 1/4
B) 1/3
C) 1/2
D) 2/3

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

203) The book *Boom Bust & Echo* economist David Foot suggests that _____ explains about two-thirds of everything, including what products will be in demand in five years.

A) demographics
B) knowledge
C) capital
D) E-commerce

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

204) The Canadian population has been _____ for several decades.

A) aging
B) declining
C) growing poorer
D) becoming more homogeneous

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

205) Birth rates have declined in Canada since when?

A) Mid-1950s
B) Mid-1960s
C) Mid-1970s
D) Mid-1980s

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

206) Those born from 1995 onward are known as what?

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A) Baby Boomers.
B) Generation X.
C) Generation Y.
D) Generation Z.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

207) By 2038, seniors will account for nearly what percentage of the Canadian population?

A) 1/4
B) 1/3
C) 1/2
D) 2/3

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

208) Businesses that cater to seniors will have what type of prospects?

A) good
B) bad
C) neutral
D) declining

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

209) Which of the following age groups is expected to grow in the future?

A) age 0-4
B) age 5-19
C) age 35-64
D) age 65 and above

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

210) Jill is looking into the possibility of opening up a for-profit seniors' centre in her community. However, she is concerned about the long-term prospects for such a business. Jill believes the future of her centre will depend on the growth of the senior population. This concern illustrates how businesses can be affected by:

A) econometric trends.
B) demographic trends.
C) holographic trends.
D) psychometric trend.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

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211) When looking at the global environment, one recent change has been:

A) centralized management
B) fast response theory
C) disenfranchisement
D) the growth of global competition

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

212) Globalization has greatly:

A) declined
B) hurt consumers
C) improved living standards around the world
D) reduced the number of jobs worldwide

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

213) Two important changes to the global environment of business in recent years are:

A) foreign exchange & free trade.
B) growth of international competition & free trade.
C) growth of international competition & low prices.
D) high quality goods & prices.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

214) Few issues have captured the attention of the international business community more than:

A) profits
B) management change
C) demography
D) climate change

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

215) The trend toward saving energy and producing products that cause less harm to the environment is known as what?

A) foreign exchange
B) free trade
C) growth of international competition
D) greening

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

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216) A circular economy refers to all of the following EXCEPT:

A) reusing
B) refurbishing
C) redistributing
D) reducing

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-15 The Global Environment

217) Today's Canadian businesses require _____ workers in industries that produce goods.

A) more
B) fewer
C) Skilled
D) trained

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-16 The Evolution of Canadian Business

218) Businesses that produce and sell tangible products such as wood, furniture, and clothing are part of the:

A) manufacturing sector.
B) knowledge-based sector.
C) service sector.
D) production sector.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

219) Due to increased competition, many of the farms that existed 50 years ago have been replaced by what?

A) the manufacturing sector
B) larger farms
C) cities
D) the production sector

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

220) The loss of farm workers over the last 50 years is:

A) a negative sign
B) an indication of growing productivity
C) going to reverse in the future
D) a symptom of global competition

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

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221) Health care, legal advice, transportation, and other intangible products are provided by the:

A) global sector
B) service sector
C) industrial sector
D) high-wage sector

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

222) Since the beginning of the 1900s, the agricultural sector of Canada has:

A) seen the number of family farms more than double.
B) become less and less competitive in the global economy.
C) produced a consistent output per farm.
D) experienced a big drop in employment, mainly due to improvements in efficiency.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

223) About what percentage of Canadians are employed in the goods-producing sector?

A) 12
B) 21
C) 42
D) 62

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

224) About what percentage of Canadians are employed in the construction sector?

A) 8
B) 12
C) 16
D) 20

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

225) In recent years, the fastest growing firms are in the _____ sector.

A) service
B) manufacturing
C) agricultural
D) telecommunications

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

226) Today, the leading firms are in:

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A) services
B) auto
C) agricultural
D) production

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

227) The service-producing sector employs ___ percent of the working population

A) 49
B) 59
C) 69
D) 79

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

228) Appliance repair firms, tax consultants, law firms, and insurance companies are all business firms that are part of the:

A) production sector.
B) management sector.
C) neo-industrial sector.
D) service sector.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

229) In recent years, many manufacturing firms in Canada have laid off workers. The best explanation of this trend is that:

A) firms have been trying to weaken unions by reducing their reliance on labour.
B) workers in Canada have become less productive and are no longer able to compete in the global economy.
C) the rising Canadian dollar and increasing global competition.
D) the economy has been in a prolonged recession/depression that has lasted more than a decade.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

230) Which of the following describes a reason for the recent job growth in the service sector?

A) Large manufacturing firms seeking efficiency have contracted out an increasing number of services.
B) The Canadian economy has been growing over the past decade.
C) Offshoring has led to service industry.
D) There has been little change in the number of jobs in the service sector in recent years, however employment is expected to increase rapidly.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

231) In order to survive in the service economy, graduates must:

A) remain flexible
B) have a high school diploma
C) train for specific manufacturing jobs
D) take accounting courses

Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

232) Mark recently graduated with honours from his college. He has bragged to his friends that his fine academic performance has prepared him so well for a successful career that he can forget school or training in his future. In evaluating the workplace of the future, Mark is:

A) exactly right. His past performance should carry him to success.
B) completely wrong. Studies show that a college education has little to do with success.
C) overconfident. Global competition means that flexibility, finding out where jobs are being created, and moving when appropriate are important.
D) probably right. Specialized training today is a key to continued success in the future.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

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233) Certain sectors in the Canadian economy have experienced a significant decline in employment. Which of the following best explains this job loss in specific industries?

A) There has been a decline in the productivity of labour in these industries.
B) Workers lost these jobs because worker productivity in the sector increased.
C) The Canadian economy cannot compete in the global environment.
D) Government regulations have eliminated profit opportunities in these industries.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

234) The new era of business is likely to be dominated by the:

A) agricultural sector.
B) information-based sector.
C) manufacturing sector.
D) continued decline in productivity.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-20 Your Future in Business

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

235) Why is the manufacturing sector such an important contributor to the Canadian economy?

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Medium
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

236) Why has the service sector seen such tremendous growth?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Hard
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

237) List and briefly describe what is included in the six elements of the business environment.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-09 The Business Environment

238) Explain how currency movements impact the economic environment.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-11 The Economic Environment

239) Summarize the relationship between risk and profit. What can a new business owner do to reduce risk?

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-03 Matching Risk with Profit

240) What is meant by the expression ‘quality of life'? How can businesses contribute to this concept?

Question Details
Accessibility : Keyboard Navigation
Learning Objective : 01-01 Illustrate the importance of key business fundamentals to wealth generatio
Difficulty : Easy
Topic : 01-04 Standard of Living and Quality of Life

241) List 5 of the various stakeholder groups and provide an example of how the needs to various stakeholders may conflict.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

242) How does Statistics Canada distinguish between insourcing, outsourcing, and offshoring?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-05 Responding to the Various Business Stakeholders

243) Describe a non-profit organization. How do their goals differ from a traditional for-profit business?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-02 Identify business stakeholders and their importance to non-profit organiza
Topic : 01-06 Using Business Principles in Non-Profit Organizations

244) List and provide examples of the five factors of production.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

245) Compare the factors of production between poor and rich countries.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-03 Explain how entrepreneurship is critical to the wealth of an economy, and
Topic : 01-08 The Importance of Entrepreneurs to the Creation of Wealth

246) Explain how crowdsourcing can help a business and how it can be used by governments and citizens.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-12 The Technological Environment

247) What is meant by 'barriers to entry' and how do they work? Give examples of such barriers.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-13 The Competitive Environment

248) Differentiate between Generation X, Y, and Z.

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

249) What evidence can you cite to support the position that Canada has a strong multicultural population?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-04 State the six elements that make up the business environment, and explain
Topic : 01-14 The Social Environment

250) What effect has technology had on Canadian agricultural industries?

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Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-17 Progress in the Agricultural and Manufacturing Industries

251) What factors have contributed to the rapid growth of the service sector in the Canadian economy?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-18 Progress in Service Industries

252) How does humanistic management differ from scientific management?

Question Details
Accessibility : Keyboard Navigation
Difficulty : Easy
Learning Objective : 01-05 Give examples of how the service sector has replaced manufacturing as the
Topic : 01-20 Your Future in Business

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Understanding Canadian Business 11ce Edition by Nickels Ch01
Answer Key

Test name: Ch01

1) TRUE
2) TRUE
3) FALSE
4) FALSE
5) TRUE
6) FALSE
7) FALSE
8) FALSE
9) TRUE
10) FALSE
11) TRUE
12) TRUE
13) TRUE
14) TRUE
15) FALSE
16) TRUE
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26) FALSE
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116) FALSE
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121) FALSE
122) FALSE
123) TRUE
124) TRUE
125) TRUE
126) TRUE
127) FALSE
128) TRUE
129) TRUE
130) TRUE
131) TRUE
132) TRUE
133) TRUE
134) C
135) C
136) B
137) A
138) B
139) B
140) B
141) D
142) A
143) A
144) B
145) A

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146) D
147) D
148) D
149) B
150) C
151) C
152) D
153) B
154) A
155) C
156) C
157) D
158) B
159) D
160) C
161) D
162) B
163) D
164) B
165) C
166) A
167) C
168) D
169) D
170) D
171) C
172) D
173) B
174) A
175) D

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176) C
177) A
178) C
179) A
180) B
181) B
182) B
183) D
184) A
185) D
186) C
187) A
188) A
189) D
190) C
191) B
192) D
193) A
194) A
195) A
196) A
197) B
198) C
199) C
200) A
201) C
202) A
203) A
204) A
205) B

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206) D
207) A
208) A
209) D
210) B
211) D
212) C
213) B
214) D
215) D
216) D
217) B
218) A
219) B
220) B
221) B
222) D
223) B
224) A
225) A
226) A
227) D
228) D
229) C
230) A
231) A
232) C
233) B
234) B

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235) It employs 1.8 million Canadians.
It represents over nine percent of the workforce
It generates an enormous amount of revenue in economic spinoff
It creates research and development

236) 1. Technology:

Technological improvements have enabled businesses to reduce their payrolls while increasing their output. Since staffing has been downsized by many companies, business has become more complex and specialized companies have relied more heavily on outside services firms.
2. Growth in outsourcing
As large manufacturing companies seek to become more efficient, they contract out an increasing number of services, creating more opportunities for business people.
3. Social changes
Other service firms have risen or expanded rapidly to provide traditional services that used to be performed by women at home. Since many women have entered the workforce, there is increased demand for food preparation, child care, and household maintenance, to name just a few services.

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237) See Figure 1.5
• The legal environment: Tax laws, contract laws, elimination of corruption
• The economic environment: Income and expenditures, currency shifts, economic systems
• The technological environment: Information and technology, databases, internet
• The competitive environment: Components of competition, customer-driven, organizational structure
• The social environment: Diversity, demographic changes, family changes
• The global environment: Surrounds all other environmental influences

238) The movement of a country's currency relative to other currencies also pertains to this environment. Currency movements are especially critical for countries that generate a great deal of business activity from exports, such as Canada. For instance, in the late 2000s the Ontario economy was negatively impacted as a result of the strong Canadian dollar, which surpassed parity with the U.S. dollar in the fall of 2007. The province lost tens of thousands of manufacturing jobs in just a few years as manufacturers shifted operations overseas. Some of the province's flagship employers, like General Motors, closed factories and trimmed production at other manufacturing facilities. The opposite is also true. For example, a lower Canadian dollar value relative to the U.S. dollar makes our exports cheaper and more attractive to the U.S. market, as consumers can buy more products with their higher-valued currency. What is the value of the Canadian dollar compared to other currencies today? How does it compare to the value of the U.S. dollar? What is the impact of the currency difference upon the Canadian economy?

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239) Those companies that take the most risk may make the most profit. As a potential business owner, you need to do research (e.g., talk to other business people and read business publications) to find the right balance between risk and profit for you. Different people have different tolerances for risk.

240) The term refers to the general well-being of a society in terms of its political freedom, natural environment, education, health care, safety, amount of leisure, and rewards that add to the satisfaction and joy that other goods and services provide. The more money businesses create, the more is potentially available to improve the quality of life for everyone.

241) See Figure 1.3 for a list of all stakeholders (5 required for answer) which includes: shareholders, customers, surrounding community, environmentalists, dealers (retailers), employees, government leaders, suppliers, media, bankers.
Often the needs of a firm's various stakeholders will conflict. For example, paying employees more may cut into shareholders' profits. Balancing such demands is a major role of business managers.

242) A Statistics Canada report highlights the distinction. As stated, "Outsourcing decisions affect the boundaries of the firm—what production takes place within the firm and what is purchased from outside the firm. Changes in offshoring may be, but are not necessarily, related to changes in outsourcing. They involve decisions both to purchase outside of the firm and to do so from abroad. Considerations to do the latter are at the heart of the study of international trade. Interest in outsourcing arises because it may foretell changes in industrial structure. Interest in offshoring arises because it may signify changes in international trading patterns."

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243) A non-profit organization is an organization whose goals do not include making a personal profit for its owners or organizers. Non-profit organizations strive for financial gains because revenue is needed to operate, but such gains are used to meet their social or educational goals rather than for personal or shareholder profit.

244) Figure 1.4 describes those five factors, which are:

1. *Land (or natural resources)*. Land and other natural resources are used to make homes, cars, and other products.
2. *Labour (workers)*. People have always been an important resource in producing goods and services, but many people are now being replaced by technology.
3. *Capital Goods*. This includes machines, tools, buildings, or whatever else is used in the production of goods. It does not include money. Money is used to buy factors of production but is not always considered to be a factor by itself.
4. *Entrepreneurship*. All the resources in the world have little value unless entrepreneurs are willing to take the risk of starting businesses to use those resources.
5. *Knowledge*. Information technology has revolutionized business, making it possible to quickly determine wants and needs and to respond with desired goods and services.

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245) Some poor countries often have plenty of land and natural resources. Russia, for example, has vast areas of land with many resources such as timber and oil, but it is not considered a rich country (yet). In contrast, Japan is a relatively rich country but is poor in land and other natural resources. Therefore, land is not the critical element for wealth creation.
Most poor countries, such as Mexico, have many labourers, so labour is not the primary source of wealth today.

246) Crowdsourcing helps a business find solutions to challenges. It is a valuable tool to better understand the dynamics of a business market. It can be valuable in terms of building collaboration between government and citizens, students and universities, patients and hospitals.

247) Barriers to entry are business practices or conditions that make it difficult for new firms to enter the market. Barriers to entry can be in the form of capital requirements, product identity, distribution access, or switching costs. The higher the expense of the barrier, the more likely it will deter new entrants, and vice versa (e.g., barriers to exit).

248) Generation X represents the demographic group that were born in the period 1965-1976. Generation Y, also known as Millennials (those born in the period from 1977 to 1994) represents the children of the large number of Baby Boomers (those born in the period from 1946 to 1964). Some students are part of Generation Y while others may be part of Generation Z, who include those born from 1995 onward.

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249) The text describes multiple statistics which support Canada has a multicultural population. The following are provided in the text:

Immigration levels have been steadily increasing, with the country accepting 341,180 new permanent residents in 2019. This was a record level of admissions and a 6.3 percent increase from the previous year. The high level of annual admission of immigrants and the relatively slow rate of natural growth of the population explain why the proportion of the foreign-born in the Canadian population has been increasing since the 1990s.
Citizenship and Immigration Canada's plan is to admit over 300,000 immigrants each year.

250) The modern farming industry has become so efficient through the use of technology that the number of farms has dropped. Due to increased competition, many of the farms that existed even 50 years ago have been replaced by some huge farms. The loss of farm workers over the past century may not be a negative sign. It is instead an indication that Canadian agricultural workers are more productive.

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251) There are several reasons why there has been growth in this sector. First, technological improvements have enabled businesses to reduce their payrolls while increasing their output. Since staffing has been downsized by many companies, business has become more complex and specialized companies have relied more heavily on outside services firms. Secondly, as large manufacturing companies seek to become more efficient, they contract out an increasing number of services, creating more opportunities for business people. Other service firms have risen or expanded rapidly to provide traditional services that used to be performed by women at home. Since many women have entered the workforce, there is increased demand for food preparation, child care, and household maintenance, to name just a few services.

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252) Scientific management studies workers to find the most efficient ways of doing things and then teaching people those techniques. Frederick Taylor, referred to as the father of scientific management, sought to increase worker productivity. His views became the dominant strategy for how business operates. But according to the International Humanistic Management Association, the consequence of thinking exclusively in terms of productivity is that "those things that have a price take priority over those that do not, [such as] human integrity, environmental beauty, or quality of life."

Humanistic management presents a different view where a worker is not viewed simply as a machine for efficiency, but as person who really matter. It is often referred to as people-oriented management because rather than treat people as a simple resource for profits, the approach seeks profits for human ends. It may be said that this type of management, which focuses upon human dignity and well-being, presents a new perspective where issues of inequality, poverty, environmental destruction, and mass migration force us to change the way we do business.

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