Understanding Business 13th edition Nickels Test Bank

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Understanding Business 13th Edition by Nickels CH01

ANSWERS ARE LOCATED IN THE SECOND PART OF THIS DOCUMENT

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

1) Businesses provide goods, jobs, and services to others.

1) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Topic : Definition of Business
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Gradable : automatic

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

2) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Topic : Definition of Business
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
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Gradable : automatic

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

3) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

4) Profit is the amount of money a business earns above and beyond what it spends for salaries and other expenses.

4) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Profit
Accessibility : Screen Reader Compatible
Gradable : automatic

5) Since all businesses make a profit, starting a business is not risky.

5) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
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Topic : The Factors that Affect the Success or Failure of an Organization
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Understanding Business 13th edition Nickels Test Bank

6) An entrepreneur risks time and money to start and manage a business.

6) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

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

7) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
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Gradable : automatic

8) Profits of a business include the salaries paid to its employees.

8) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
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Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

9) Revenue is the total amount of money a business takes in during a given period by selling goods and services.

9) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

10) Risk is the chance an entrepreneur takes of losing time and money on a business that may not prove profitable.

10) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
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Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

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11) The United States is considered to have a high standard of living.

11) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Standard of Living
Accessibility : Screen Reader Compatible
Gradable : automatic

12) The term "standard of living" refers to the amount of debt people incur on a given income.

12) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Standard of Living
Accessibility : Screen Reader Compatible
Gradable : automatic

13) Health care availability, a clean environment, and good schools all contribute to a high quality of life.

13) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Quality of Life
Accessibility : Screen Reader Compatible
Gradable : automatic

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

14) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Quality of Life
Accessibility : Screen Reader Compatible
Gradable : automatic

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

15) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Stakeholders
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

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

16) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Stakeholders
Accessibility : Screen Reader Compatible
Gradable : automatic

17) Outsourcing means selling goods and services to people in other countries.

17) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Accessibility : Screen Reader Compatible
Gradable : automatic

18) Outsourcing has caused complications in many states where jobs have been lost to overseas companies.

18) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
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Topic : The Private Enterprise System
Accessibility : Screen Reader Compatible
Gradable : automatic

19) Insourcing refers to the practice of global companies setting up design and production facilities in the United States.

19) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Accessibility : Screen Reader Compatible
Gradable : automatic

20) The knowledge and skills learned in business courses are seldom relevant to students who work for nonprofit organizations or volunteer groups.

20) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
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Accessibility : Keyboard Navigation
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Accessibility : Screen Reader Compatible
Gradable : automatic

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21) Businesses and nonprofit organizations often strive to accomplish the same objectives.

21) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Accessibility : Screen Reader Compatible
Gradable : automatic

22) Nonprofit organizations use financial gains to meet stated social or educational goals of the organization rather than personal profit.

22) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Nonprofit organization
Accessibility : Screen Reader Compatible
Gradable : automatic

23) The only real purpose of a business is to make money for entrepreneurs.

23) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Topic : Definition of Business
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

24) The only way a firm can increase its profits is to increase its sales revenue.

24) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Profit
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

25) The amount of profit or loss earned by a business can be found by subtracting the firm's expenses from its revenues.

25) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Profit
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

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

26) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Nonprofit organization
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

27) Unlike businesses, employees of nonprofit organizations are not required to learn the business skills of information management, marketing, or financial management.

27) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Nonprofit organization
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

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

28) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Stakeholders
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

29) Businesses satisfy the demands of all stakeholders by balancing the demands of customers and stockholders.

29) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Stakeholders
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

30) An effort to please one group of stakeholders eventually pleases all stakeholders.

30) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Stakeholders
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

31) Insourcing creates new jobs and helps offset the number of jobs being outsourced.

31) _____

◎ true
◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

32) Aliyah has started a mobile salon service. While she recognizes the risks involved in operating a business, she is still willing to invest her time, effort, and money in hopes of earning a profit. Aliyah is an example of an entrepreneur.

32) _____

◎ true
◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : Attributes of Successful Entrepreneurs
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

33) Elite Party Rentals, a store serving the Houston-area wedding industry, generated total revenues of $10 million while incurring expenses of $8 million. Elite Party Rentals earned a profit of $2 million.

33) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Profit
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

34) Since businesses strive to earn a profit, their owners benefit at the expense of the rest of society.

34) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Profit
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

35) Trevor earned the same amount of money this year as he did last year. Thus, his standard of living must be the same as it was last year.

35) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Standard of Living
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

36) Jordan quit her job to take a less stressful position in a small town. She now earns less money and has had to cut back on her purchases of material goods, but she has more free time and really enjoys the clean air of her new home. Jordan has accepted a lower standard of living in order to enjoy a higher quality of life.

36) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Standard of Living
Topic : Quality of Life
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

37) Political freedom, quality education, access to health care, and a clean environment are all factors that contribute to an improved quality of life.

37) _____

- ◎ true
- ◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Quality of Life
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

38) People living in Boston on average earn more money than people living in Des Moines, IA. This means the citizens of Boston enjoy a higher standard of living than the citizens of Des Moines.

38) _____

Understanding Business 13th edition Nickels Test Bank

◎ true
◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Standard of Living
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

39) The major difference between businesses and nonprofit organizations is that only businesses can increase the standard of living, while only nonprofit organizations can improve the quality of life.

39) _____

◎ true
◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Standard of Living
Topic : Quality of Life
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

40) A charitable organization, such as Doctors Without Borders or the Salvation Army, is classified as a for-profit organization.

40) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Nonprofit organization
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

41) It was recently reported that Japan succeeded in improving its people's standard of living and establishing a relatively affluent society. This report clearly indicates that both income levels and the price of goods and services rose significantly during that time period.

41) _____

◎ true
◎ false

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Standard of Living
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

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

42) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Define Entrepreneurship
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

43) Working as an entrepreneur is the only way to succeed in business.

43) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Define Entrepreneurship
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

44) Paid vacations and health care insurance are among the benefits provided by the government to entrepreneurs.

44) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Define Entrepreneurship
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

45) Land, sometimes called a natural resource, is the most critical factor of production in explaining why some countries are poor while others are rich.

45) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

46) Money is one of the five factors of production that contribute to the creation of wealth.

46) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

47) Tools, machinery, and buildings are examples of capital resources.

47) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

48) The major advantage rich nations have over poor nations is an abundance of land and labor.

48) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

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

49) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

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50) Business consultant Peter Drucker said that the most important factor of production is knowledge.

50) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

51) Most business experts agree that entrepreneurship and the effective use of knowledge are the most important contributors to the creation of wealth.

51) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

52) The business environment refers to the surrounding factors that either help or hinder the development of businesses.

52) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

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

53) _____

- ◎ true
- ◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

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

54) _____

- ◎ true
- ◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

55) Jada wants to open a custom closet franchise. She decides to move to Austin, as it offers her the two most important factors, according to Peter Drucker, that would enhance the creation of wealth: labor and a growing population.

55) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

56) Salvatore recently completed his degree in management and is planning to start a business selling and installing solar energy panels. He chose Phoenix due to its warm weather and high population. Salvatore felt these factors would create a large labor pool, the most important of the five factors of production.

56) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
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Understanding Business 13th edition Nickels Test Bank

57) Blake is supposed to be studying for finals but his mind keeps wandering to his uncle's successful golf resort. His uncle promised Blake a management trainee position and the opportunity to buy into the company as soon as he graduates. As he daydreams about being his own boss, Blake should realize that freedom to succeed also means freedom to fail.

57) _____

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Define Entrepreneurship
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

58) Taxes and government regulations are part of the economic and legal environment in which businesses operate.

58) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

59) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Topic : Legal and Regulatory Environment
Accessibility : Screen Reader Compatible
Gradable : automatic

60) One of the best things the governments of developing countries can do to increase wealth is to minimize interference with the free exchange of goods and services.

60) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Topic : Legal and Regulatory Environment
Accessibility : Screen Reader Compatible
Gradable : automatic

61) In countries where businesses cannot enter into binding contracts, business owners assume additional risk.

61) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Topic : Legal and Regulatory Environment
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

62) In an effort to increase wealth and their country's standard of living, many governments are taking over major industries and operating them as nonprofit organizations.

62) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

63) Because corruption and illegal activities are expected in a capitalist system and can be beneficial, there are many laws in the United States that allow for corruption.

63) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

64) One way for a government to actively promote entrepreneurship is to establish a currency that is tradable in world markets, so that you can buy and sell goods anywhere in the world using that currency.

64) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

65) Honesty, integrity, and high ethical standards are essential to a capitalist economic system like the one that operates in the United States.

65) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
Accessibility : Keyboard Navigation
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Topic : The Ethical Concerns that Affect Business
AACSB : Ethics
Accessibility : Screen Reader Compatible
Gradable : automatic

66) Laws that allow companies to write enforceable contracts decrease the risk of doing business.

66) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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67) In rich countries such as the United States, changes in the level of taxation have little impact on the incentives of entrepreneurs.

67) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

68) The failure to uphold high ethical business standards by a few companies can negatively impact the entire U.S. business community.

68) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Topic : The Ethical Concerns that Affect Business
AACSB : Ethics
Accessibility : Screen Reader Compatible
Gradable : automatic

69) The government of a small island nation is trying to attain a higher quality of life by imposing strict regulations to protect the environment and ensure safe working conditions in its industries. The government also has established programs to help the poor, financing them by raising tax rates on businesses. These efforts will create an atmosphere that clearly encourages entrepreneurship.

69) _____

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

70) Though it has received a lot of attention, the development of information technology (IT) has had less of an impact on the way businesses operate than most other changes.

70) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

71) An increase in productivity indicates that more can be produced in a given time period with the same amount of resources.

71) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

72) Technology can help businesses become more efficient and productive.

72) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

73) Productivity is the amount of output you generate given the amount of input such as hours worked.

73) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

74) Effectiveness means producing goods and services using the least amount of resources.

74) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

75) Effectiveness means producing the desired result.

75) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

76) Technology refers to everything that makes business operations more effective, efficient, and productive.

76) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

77) Industries such as farming do not typically benefit from technology.

77) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

78) E-commerce is the buying and selling of goods online.

78) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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79) The online B2B market consists of selling goods and services to consumers.

79) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

80) The rise of online marketing has become particularly important in doing business in the B2B markets.

80) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

81) The business-to-business segment of e-commerce is of less importance than the business-to-consumer segment of e-commerce.

81) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

82) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

83) Bar codes are a form of technology that has enhanced a company's ability to be responsive to consumer needs.

83) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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84) An electronic storage file where information is kept is called a CPU.

84) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

85) The databases of a business often include a great deal of information about the firm's customers.

85) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

86) Information in a database allows firms to carry only the products that the local population wants.

86) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

87) Identity theft is when individuals or firms access people's personal information and then use it for illegal purposes and activities.

87) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

88) The main difference between B2C and B2B e-commerce is that B2C is only used online, while B2B combines e-commerce with traditional (brick-and-mortar) outlets.

88) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

89) Online shoppers can take comfort in the fact that new technologies, if installed properly, are seldom used in unethical ways.

89) _____

- ◎ true
- ◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

90) Elana has joined several other investors to form a new company that sells UV protection clothing to consumers online. Elana has invested in a B2C e-commerce company.

90) _____

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

91) Workers in a small Asian nation have enjoyed an increase in the number of holidays and a reduction in the average length of the workday. This has reduced the total number of hours they work each year. However, the output per worker is higher now than it was before the reduction in hours. These facts imply that productivity here has increased.

91) _____

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

92) KleanRite produces industrial cleaning products for the hospitality industry. Until recently, it relied on wholesalers to distribute its products, but now it also sells directly to its B2B customers through its website. This is an example of the largest and most important type of e-commerce transaction.

92) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

93) As emerging technologies become widespread, businesses tend to find better uses for them. However, in the case of the Internet, businesses that sell B2B have not benefited from directly selling to their business customers in the same way that B2C companies have done.

93) _____

◎ true
◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

94) To remain competitive in today's market, firms must produce a quality product and offer outstanding service at a reasonable price.

94) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

95) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

96) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

97) Zero defects means that there is a company goal of no mistakes in making products.

97) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

98) Today's businesses have a managerial focus rather than a customer focus.

98) _____

- ◎ true
- ◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

99) Competition is fierce! One way to respond quickly to customer needs is to develop a strategy of empowering employees.

99) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

100) A policy of empowerment encourages managers to make decisions quickly for their frontline employees.

100) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

101) Empowerment means giving frontline workers the responsibility, authority, and freedom to respond quickly to customer requests.

101) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

102) The goal of empowerment in the workplace is to prevent mistakes. Therefore, giving management more control over the actions of lower-level workers will reinforce empowerment.

102) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

103) It is important that firms are as efficient as possible. This is done by becoming management-driven for efficiency.

103) _____

- ◎ true
- ◎ false

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Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

104) Customer-driven organizations require managers to closely direct and control their employees.

104) _____

- ◎ true
- ◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

105) Steve and Jose are worthy competitors in the local home painting business. Steve recently found a supplier of cheap paint with lower durability, enabling him to lower his prices. He knows that his customers are cost-conscious. In this competitive environment, keeping the price down is all that matters.

105) _____

- ◎ true
- ◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

106) Angela runs a house cleaning service. Although she and her employees could service 12 households in one day, they average eight homes per day. Angela recently restructured her crew and provided each housekeeper with an incentive to acquire two new customers each month through customer referrals. As a recent business graduate, you would tell her she's probably on the right track.

106) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

107) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

108) The U.S. population tends to buy the same things and spend time in roughly the same way as people did a decade ago.

108) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

109) Demographic changes create new business opportunities.

109) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

110) Diversity groups identified in the market today can include extroverts, introverts, atheists, and the religious.

110) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
AACSB : Diversity
Accessibility : Screen Reader Compatible
Gradable : automatic

111) Companies have responded to a diverse customer base by hiring a more diverse workforce.

111) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
Accessibility : Keyboard Navigation
Learning Objective : 01-06 Analyze the social changes affecting businesses.
AACSB : Diversity
Topic : Cultural Diversity in the Workplace
Accessibility : Screen Reader Compatible
Gradable : automatic

112) Currently people between the ages of 45 and 54 are the richest group in the United States.

112) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

113) New welfare rules have encouraged many businesses to implement flexible policies designed to retain workers.

113) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

114) In some cities, the number of legal and illegal immigrants has caused governments to adapt by changing signs and forms to other languages.

114) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

115) One factor that has had a major effect on businesses is the growth of single-parent families.

115) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

116) Businesses that cater to older consumers in the future will likely not be successful.

116) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

117) Millennials, defined as those born in the late 1980s and early 1990s, will remain the largest group of consumers in the world within the next decade.

117) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

118) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

119) Diversity management would not be an issue if firms would treat all their employees the same.

119) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-06 Analyze the social changes affecting businesses.
AACSB : Diversity
Topic : Cultural Diversity in the Workplace
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

120) Demographic trends suggest that businesses will benefit from offering flexible work schedules, elder care, and childcare to help employees balance the demands of job and family.

120) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

121) The current Social Security system ensures that the young people of today will have Social Security benefits in the future when they retire.

121) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

122) Carson plans to invest in a home health care business. He believes this will be a profitable venture because of the increasing number of people in theUnited States that will be over 65 years of age in the near future and more likely to need this type of service. This accurately describes a demographic trend that will affect his business choice.

122) _____

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◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

123) Anya is a single mother of small children. Her employer is considering providing family leave. Since she is a single mom with two young children, she is unlikely to benefit from this program.

123) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

124) Michael, age 23, is shopping for furnishings for his first apartment. Companies are designing and developing products, such as app-controlled lamps and appliances, that specifically appeal to consumers in this large demographic group.

124) _____

◎ true
◎ false

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

125) Globalization has increased among nations.

125) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

126) An important environmental change in the global environment is the growth of international competition.

126) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

127) Improved distribution systems have led to more global trade.

127) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

128) Global trade has suffered because of increased problems with the Internet.

128) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

129) Globalization has greatly increased living standards around the world.

129) _____

◎ true
◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

130) China and India have become major U.S. competitors.

130) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

131) The threat of terrorism increases the costs of operating most businesses.

131) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

132) Wars are costly to all companies.

132) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

133) War and terrorism have had a significant effect in drawing many resources away from the U.S. economy and led to many additional costs for businesses.

133) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

134) In most industries, the only producers that pose a serious threat to U.S. manufacturers are those in Japan and Western Europe.

134) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Competition
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

135) Companies that participate in the defense industry by making weapons or armored vehicles do well whenthe United States is at war.

135) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Competition
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

136) One of the problems with globalization is that distribution systems and communication systems lack efficiency.

136) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

137) The evidence for climate change is highly suspect. Most U.S. companies are taking a wait-and-see approach toward addressing climate change.

137) _____

- ◎ true
- ◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Topic : Corporate Social Responsibility
Accessibility : Screen Reader Compatible
Gradable : automatic

138) After several years of working and going to school part time, Fernando recently earned a degree in marketing at a local college. The growth in global markets may increase Fernando's job opportunities, but it will also require him to continually update his skills or seek additional education.

138) _____

- ◎ true
- ◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

139) The nature of U.S. business has changed little from century to century.

139) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

140) The number of U.S. jobs in manufacturing has increased in the past five years.

140) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

141) Technology helped the manufacturing industry to become more productive.

141) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

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

142) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

143) Increases in productivity have allowed fewer farmers to feed more and more people.

143) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

144) The advice provided by an interior designer is an example of the service industry.

144) _____

◎ true
◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

145) Almost all the growth in employment opportunities since the mid-1980s has been generated by the service sector.

145) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

146) 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.

146) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

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

147) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

148) The best employment strategy for today's college graduates is to search for jobs that are closely related to their college major.

148) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

149) The growth in the service sector in the United States appears to be giving way to an information-based global era.

149) _____

- ◎ true
- ◎ false

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

150) One reason given for the decline in the number of U.S. workers employed in manufacturing is that manufacturing firms in the U.S. have become more efficient.

150) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

151) The continuing increase in the number ofUnited States workers in the service sector means that more and more workers are employed in low-wage positions.

151) _____

◎ true
◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

152) Historically, jobs lost in one sector of the economy have been replaced by increased employment opportunities in other sectors.

152) _____

- ◎ true
- ◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

153) The importance of intellectual capital to a company's value is expected to remain stagnant over the next decade.

153) _____

- ◎ true
- ◎ false

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

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

154) _____

- ◎ true
- ◎ false

Understanding Business 13th edition Nickels Test Bank

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

155) After losing her manufacturing job in the U.S. automobile industry, Nia has found that well-paid service-sector jobs require retraining and further education.

155) _____

◎ true
◎ false

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

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

156) An entity that seeks to earn a profit by providing a good or service is known as a(n)

156) _____

A) industry.
B) corporation.
C) business.
D) service.

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Question Details
Difficulty : 1 Easy
Topic : Definition of Business
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Gradable : automatic

157) _____ is the amount a business earns after deducting what it spends for salaries and other expenses.

157) _____

A) Profit
B) Revenue
C) Interest
D) Dividends

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Profit
Accessibility : Screen Reader Compatible
Gradable : automatic

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

158) _____

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

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Profit
Accessibility : Screen Reader Compatible
Gradable : automatic

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

159) _____

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

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

160) The total amount of money that businesses take in by selling goods and services is called

160) _____

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

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

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

161) _____

A) manager
B) entrepreneur
C) employee
D) stakeholder

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Define Entrepreneurship
Accessibility : Screen Reader Compatible
Gradable : automatic

162) Starting a business always involves

162) _____

A) profit.
B) loss.
C) revenue.
D) risk.

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

163) Often in business the greater the risk, the

163) _____

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
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Accessibility : Screen Reader Compatible
Gradable : automatic

164) _____ is a measure of the general well-being and satisfaction derived from a variety of factors including political freedom, safety, education, and a clean environment.

164) _____

A) Standard of living
B) Quality of life
C) Gross national income
D) Social satisfaction

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Quality of Life
Accessibility : Screen Reader Compatible
Gradable : automatic

165) The amount of goods and services people can buy with the money they have is called their

165) _____

A) nominal income.
B) consumer price index.
C) profit margin.
D) standard of living.

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Standard of Living
Accessibility : Screen Reader Compatible
Gradable : automatic

166) The customers, employees, stockholders, suppliers, creditors, and others who stand to gain or lose by the policies and activities of a business represent the firm's

166) _____

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

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Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Stakeholders
Accessibility : Screen Reader Compatible
Gradable : automatic

167) The most important difference between for-profit businesses and nonprofit organizations is that

167) _____

A) for-profit businesses do not benefit society.
B) nonprofit organizations seek to make a profit for their owners and organizers.
C) nonprofit organizations do not seek a profit for their owners or organizers.
D) nonprofit organizations do not answer to stakeholders.

Question Details
Difficulty : 1 Easy
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Nonprofit organization
Accessibility : Screen Reader Compatible
Gradable : automatic

168) A common characteristic of most entrepreneurs is that they

168) _____

A) 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
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Define Entrepreneurship
Accessibility : Screen Reader Compatible
Gradable : automatic

169) What is the best example of a business whose goal is to earn a profit?

169) _____

A) a community college
B) American Red Cross
C) League of Women Voters
D) Amazon

Question Details
Topic : Definition of Business
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

170) In order to make an intelligent investment decision, entrepreneurs should

170) _____

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A) limit their options to those business investments that are backed by the U.S. government.

B) invest in businesses that have generated a stable rate of profit for at least the past 10 years.

C) invest only in business opportunities where it is possible to take an active role in management.

D) compare the risks of potential investments to their expected profits and find the right balance between profit and risk.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

171) Honda and Hyundai have insourced for years to design and manufacture cars in the United States. What statement is accurate about this practice?

171) _____

A) Insourcing helps offset the number of jobs being outsourced.
B) Insourcing increases the number of jobs being outsourced.
C) Insourcing damages the United States economy.
D) Insourcing causes jobs to be lost to overseas competitors.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

172) Public schools, charities, and government agencies generally

172) _____

A) have the same goals as for-profit businesses.
B) do not seek to earn a profit.
C) provide goods rather than services.
D) do not have any stakeholders.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

173) For-profit businesses and nonprofit organizations are similar in that they both

173) _____

A) contribute to the welfare of society.
B) seek to earn a profit.
C) have a limited life.
D) must be controlled by a board of directors.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Quality of Life
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

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174) The standard of living for a nation's people depends mainly on

174) _____

A) the quality of the natural environment.
B) how much political freedom they have.
C) their income and the prices of the goods and services they can buy.
D) the amount of labor and capital available employed in the manufacturing sector.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Standard of Living
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

175) Today's businesses attempt to meet the needs of

175) _____

A) their customers, even if it comes at the expense of employees and other stakeholders.
B) their employees, even if it means shortchanging customers by charging higher prices.
C) all stakeholders.
D) exclusively their owners, since they are ultimately the ones who pay the bills.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

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176) What is the most accurate statement about the impact of business on society?

176) _____

A) When businesses earn a profit for their owners, they usually do so at the expense of the rest of society, which proves it is never a win-win situation.

B) While businesses often improve the standard of living within a society, they can do little to improve the quality of life.

C) Businesses often improve the quality of life, but can do little to improve the standard of living for most people.

D) Businesses can have a positive impact on both the standard of living and the quality of life within a society.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Standard of Living
Topic : Quality of Life
Difficulty : 2 Medium
Bloom's : Understand
Accessibility : Screen Reader Compatible
Gradable : automatic

177) Last year, Jensen Consulting reported revenues of $34 million while its total expenses were $10 million. Based on this information, Jensen reported

177) _____

A) profits of $24 million.
B) profits of $34 million.
C) losses of $24 million.
D) losses of $34 million.

Understanding Business 13th edition Nickels Test Bank

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Profit
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

178) Taylor recently started selling her invention: A bed that looks like it floats in mid-air. The bed is actually suspended by magnetic forces. Taylor is a(n)

178) _____

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

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Define Entrepreneurship
Accessibility : Screen Reader Compatible
Gradable : automatic

179) Roman wants to invest some money that he just inherited. His friend Jon wants him to invest in his new food truck business, promising Roman a better return on his investment than a traditional savings account. Roman should keep in mind that to earn a higher return on his money he

179) _____

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A) will have to invest overseas.
B) should only invest in a long-standing business.
C) will probably have to accept a higher level of risk.
D) will probably have to engage in illegal activities.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

180) Though the prices of things she buys have gone up, Maya's income has remained stable over the past few years. Nevertheless, Maya feels better off because the environment is cleaner, the crime rate has dropped, she has more relaxation time, and the quality of medical care has improved. If Maya's experience is typical, we can assume that the standard of living has

180) _____

A) increased, but the quality of life has decreased.
B) increased, and so has the quality of life.
C) declined, but the quality of life has increased.
D) declined, and so has the quality of life.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Standard of Living
Topic : Quality of Life
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

181) Hyun and her three college friends enjoy perfumes. As a special gift to each of them last holiday season, Hyun found a way to make scented candles with each friend's favorite perfume scent. The three friends loved her gift idea and encouraged Hyun to create more and sell them online. Recently, she is filling orders from her website, and turning a profit. Hyun is proof that

181) _____

A) personalized products will always be successful.
B) when you successfully fill a market need, you can make money.
C) the Internet is a way to distribute just about anything.
D) the cost of supplies to make candles is relatively cheap.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Define Entrepreneurship
Accessibility : Screen Reader Compatible
Gradable : automatic

182) Miranda wants to operate a small catering business out of her home, located in a quiet residential neighborhood. She asks for input from her neighbors, the homeowner's association, her suppliers, and the zoning commission about issues including parking, noise, safety concerns, and operating hours. Before officially opening, Miranda adjusts her business plan based on the feedback she received. Miranda has discovered that

182) _____

A) her new business will definitely be successful.
B) stakeholder considerations are important if you want your business to thrive.
C) town politics is more important than company profits.
D) consulting various stakeholders eliminates any risk.

Understanding Business 13th edition Nickels Test Bank

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : Stakeholders
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

183) Generally, the greatest amount of risk is involved in

183) _____

A) working for the government.
B) working for a large business.
C) working for a small business.
D) starting a business.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Define Entrepreneurship
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

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

184) _____

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

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

185) Which is considered a factor of production?

185) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

186) As a factor of production, the term *capital* includes

186) _____

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.

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

187) Two factors of production that seem to contribute the most to a nation's ability to create wealth are

187) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

188) The external and internal circumstances that surround the business are referred to as

188) _____

A) the business environment.
B) the factors of production.
C) the stakeholders.
D) the business disciplines.

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

189) Entrepreneurs weigh the differences between the benefits of starting a business and those things that they are likely to forego because they choose to work for themselves. Such things they are likely to pass up on are

189) _____

A) the freedom to make their own decisions.
B) local government benefits such as enterprise zone tax credits.
C) employer-paid benefits such as paid vacation and health insurance.
D) the opportunity to generate greater wealth.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Define Entrepreneurship
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

190) What is a benefit of owning your own business?

190) _____

A) freedom to keep the profits from your business
B) government-supplied health insurance
C) extended paid vacation time
D) shorter work hours

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Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Define Entrepreneurship
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

191) As you consider the factors of production, what did management theorist Peter Drucker believe to be one of the most important contributing factors to increasing our nation's wealth?
191) _____

A) land
B) labor
C) knowledge
D) capital

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

192) When we compare the factors of production in wealthy versus poor nations, we find
192) _____

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A) poor nations have plenty of land and knowledge, but very little labor.

B) poor and wealthy nations (both) have an abundance of knowledge; it is the land that varies, with rich nations always having more.

C) wealthy nations have knowledge and entrepreneurial opportunities, while poor nations are often lacking in these areas.

D) wealthy nations have land and labor, while poor nations have capital and entrepreneurship.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

193) A nation progresses socially when it has good schools, clean air and water, and more. Which statement accurately addresses conditions for social progress?

193) _____

A) Social progress will evolve when capital is apportioned to everyone in equal amounts.

B) A city, state, or nation's social progress needs the right business environment.

C) The foundation for social progress is a handful of wealthy entrepreneurs willing to spread the wealth.

D) Social progress can only improve when there is a strong labor pool to draw from.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Quality of Life
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

194) Which statement about factors of production is the most accurate?

194) _____

A) The five factors of production are energy, capital, labor, leadership, and money.
B) Wealth creation in poor nations is slowed by chronic shortages of labor.
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
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

195) Randall owns a nursery. The trucks, handcarts, and forklift he purchased for the business are called

195) _____

A) natural resources.
B) intangible resources.
C) knowledge assets.
D) capital investments.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

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196) In a small and poor nation, the current prime minister has a desire to improve conditions for her citizens. The prime minister has received recommendations from several of her advisors. Which recommendation is likely to create the most wealth for the country?

196) _____

A) Acquire more land by invading a neighboring country that is even poorer and weaker.
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 local businesses from foreign competition.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

197) Tom and his dad combined their love of baseball with a business venture. They purchased a small cart and began selling memorabilia outside of their hometown stadium. Their first year went well, but the past two years have been quite a struggle. Due to poor economic conditions and the team's horrible record, ticket sales at the stadium are down, which has significantly hurt their sales as well. As a recent business graduate, you explain to them that

197) _____

A) this type of business is always high risk because it is seasonal.
B) the business does not fill a sufficient need for most people.
C) environmental circumstances are dynamic and tough to control.
D) social entrepreneurs are currently getting most of the attention.

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Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Accessibility : Screen Reader Compatible
Gradable : automatic

198) China is a nation with a vast amount of land and a very large population. Another characteristic of this nation is its people's affinity for saving money. Referring to the five factors of production, if the government of China wanted to make progress in building its business environment by focusing on factors that needed improvement, its best strategy would be to
198) _____

A) increase the supply of labor.
B) increase sources for capital.
C) increase entrepreneurship.
D) encourage neighboring nations to provide land for business development.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-02 Explain how entrepreneurship and the other factors of production contribut
Topic : The Factors of Production
Accessibility : Screen Reader Compatible
Gradable : automatic

199) Taxes and government regulations are part of the _____ environment of business.
199) _____

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A) economic and legal
B) competitive
C) social
D) technological

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

200) What policies tend to favor business?

200) _____

A) minimal government spending because it keeps taxes to a minimum
B) more government services because it minimizes tax consequences
C) maximum government spending because it raises business profits
D) increased regulation because it benefits stakeholders

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

201) In order to create more wealth and provide better services, some nations recognize that

201) _____

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A) raising taxes benefits all businesses.
B) a good strategy is to minimize interference with the free exchange of goods and services.
C) restricting trade with other countries always helps domestic businesses.
D) taking control of privately owned businesses and making them government-run will improve the lives of everyone.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

202) In countries where businesses are government owned,

202) _____

A) there is less incentive to work hard.
B) the right amount of each good is produced.
C) profits tend to be higher.
D) productivity tends to be highest.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

203) High tax rates tend to

203) _____

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A) promote economic development.
B) make a nation's currency tradable.
C) discourage entrepreneurship.
D) encourage small business ownership.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

204) Contemporary governments promote business development by

204) _____

A) increasing business regulations.
B) encouraging government ownership of businesses.
C) permitting businesspeople to conduct business without the use of contracts.
D) establishing a currency that is tradable in world markets.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Difficulty : 2 Medium
Bloom's : Understand
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

205) What policies would tend to foster entrepreneurship?

205) _____

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A) Minimize taxes and regulations.
B) Promote more regulations to protect the environment.
C) Develop policies to reduce corruption between individuals.
D) Encourage government ownership of businesses.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

206) When corruption is present in the business environment, what often occurs?

206) _____

A) Company leaders threaten competitors and minimize competition.
B) Factories are easier to build without a government permit.
C) Fair competition thrives.
D) Laborers can make more money.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

207) Which government policies would be *least* likely to encourage entrepreneurship?

207) _____

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A) passage of laws that enable businesspeople to write enforceable contracts
B) establishment of a currency that is tradable in world markets
C) establishment of strict regulations specifying exactly how products should be made to ensure safety and affordability
D) passage of laws that eliminate corruption in government and business

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

208) When Netflix determined that the lifestyle needs of its customers called for more convenient methods to receive entertainment, it implemented a business model that led to a reduction in the company's labor costs. The company then passed those savings on to consumers. In comparison, Blockbuster video stores did not pay enough attention to competitor movements, permitting Netflix to quickly capture this market share and as a result, Blockbuster shuttered its doors. Which external environment probably had the *least* effect on Netflix's success?

208) _____

A) social environment
B) competitive environment
C) economic and legal environment
D) technological environment

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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209) Jay sells custom bicycles. He buys bike parts from five different suppliers. Although several government-supported regulations help Jay in his business, regulations that make it easy for his business to enjoy good vendor relationships are

209) _____

A) lower taxes that business-to-business customers pay to each other.
B) laws that permit minimal corruption in banking institutions.
C) laws that permit small businesses to use the government as an intermediary when doing business with other small businesses.
D) laws that support enforceable contracts between firms.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

210) Daniel owns a lawn irrigation system business. When he started the business 10 years ago, he promised to always operate within the legal limits of the law, but lately, the competition is eating him alive. Large competitors hire undocumented workers to perform the manual labor, and they do not pay taxes on these employees—they just pay them in cash at the end of the week. Daniel does not want to hire illegal workers, but employment taxes are decreasing his profits. There is a risk if you permit an illegal worker to drive a truck, or, if they have an accident on the job. You have just studied business ethics in your class. You inform Daniel that

210) _____

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A) taxes only need to be paid for the owners.

B) he is not only taking a chance that a bigger problem may occur, he is indirectly setting the ethics code for his business.

C) small businesses do not need to worry about ethics codes. This concern is better suited for big business.

D) it is not unethical to try to provide jobs.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Topic : The Ethical Concerns that Affect Business
AACSB : Ethics
Accessibility : Screen Reader Compatible
Gradable : automatic

211) The emergence of an information-based economy are important parts of the _____ environment in which businesses operate.

211) _____

A) economic and legal
B) technological
C) competitive
D) social

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

212) Technology affects people in

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212) _____

A) all industries.
B) most industries.
C) a few information technology industries.
D) primarily high-income countries.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

213) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

214) Efficiency means

214) _____

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A) producing the desired result.
B) producing goods and services using the least amount of resources.
C) the amount of output you generate given the amount of input.
D) the buying and selling of goods using the most amount of resources.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

215) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

216) _____ means producing the desired result.

216) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

217) _____ means producing items using the least amount of resources.

217) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

218) The two major types of e-commerce are

218) _____

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A) online and offline.
B) EDI and EDC.
C) wholesale and retail.
D) B2B and B2C.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

219) When businesses sell to other businesses online, these transactions are known as
219) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

220) Companies that sell goods to consumers online are engaging in _____ transactions.
220) _____

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A) B2C
B) RFP
C) B2B
D) Y2K

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

221) The series of lines on a product packaging that the cashier scans when you check out at a grocery store or discount store is called a

221) _____

A) bar code.
B) zip code.
C) scan code.
D) laser code.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

222) An electronic storage file where firms keep customer information is known as a(n)

222) _____

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A) app.
B) management information system.
C) database.
D) B2C system.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

223) _____ is illegally obtaining and illegally using private information about a person, such as using someone's credit card number.

223) _____

A) Petty theft
B) Identity theft
C) Banking theft
D) Online theft

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : The Risks Associated with Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

224) One advantage of a database is it

224) _____

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A) permits a retail store to directly gather information on the customers who do business with its competitors, so it can target promotional materials to those people.
B) creates efficiency in that the store can quickly replenish items that are purchased.
C) prevents identity theft.
D) prevents stores from exchanging customer information with each other.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

225) What aspect of e-commerce will continue growing in importance to both businesses and consumers?

225) _____

A) customer focus groups
B) cybersecurity
C) personal selling
D) alternative currencies

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

226) What is an advantage of utilizing technology in business?

226) _____

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A) Technology increases the cost of production.
B) Technology reduces the need for a marketing plan.
C) Productivity increases.
D) Management can distance itself from the demands of stakeholders.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

227) Which statement best describes the main difference between B2B and B2C transactions?
227) _____

A) B2B transactions involve transactions where the buyers and sellers are both businesses, while B2C involves transactions between businesses and consumers.
B) B2B transactions focus on financial transactions while B2C e-commerce focuses on the sale of manufactured goods.
C) B2B transactions refer to business between nonprofit organizations while B2C e-commerce is carried out by business firms seeking to earn a profit.
D) B2B transactions involve sales in foreign markets while B2C e-commerce is restricted to domestic markets.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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228) Businesses like Earth Angel and Bubbly Dynamics described in the "Adapting to Change" box reuse, redistribute, refurbish or recycle products instead of adding them to landfills. This circular economy strategy focuses on using technology to

228) _____

A) improve productivity.
B) create empowerment.
C) increase sustainability.
D) develop customer responsiveness.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

229) WebSure is an online company that provides support services for businesses that need help in setting up and maintaining their websites. WebSure is an example of a company that is engaged in _____ e-commerce.

229) _____

A) B2C
B) C2C
C) Y2K
D) B2B

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

230) Prestige Presents specializes in expensive and unusual gifts for all occasions. It keeps a large file of information on all of its regular customers, including names, addresses, and type of gifts they have ordered in the past, and the size and frequency of their orders. The electronic file which stores this information is a(n)

230) _____

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

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

231) New orders are coming in quickly for Data Boom, and management is confident that new contracts will take them through the next couple of years. The company has started investing again, but not in people. The number of employees is the same as when the company and its competitors faced recent economic downturns. Most likely due to _____, the company is producing more product and services with less people.

231) _____

Understanding Business 13th edition Nickels Test Bank

A) the lack of skilled labor
B) new competition
C) social changes
D) technological advancement

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
AACSB : Analytic Thinking
Accessibility : Screen Reader Compatible
Gradable : automatic

232) After purchasing a new set of golf clubs, Ray noticed he was receiving e-mail advertisements from various golf resorts even though he had not requested information from any of them. What statement likely explains why this is happening?

232) _____

A) Ray was a victim of identity theft.
B) Ray's personal information was collected by a business, which then traded it to other companies, and these companies then began targeting their advertisements.
C) All businesses routinely have all customers' personal information.
D) Ray's employer gave his information to the marketers.

Question Details
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-04 Describe the effects of technology on businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

233) Bree wants to compare the price of running shoes she saw at a sporting goods store with other retailers that may have the same shoes. She locates the product on three different websites, including Zappos. Bree's quest is an example of how customers are using _____ to solve problems.

233) _____

A) ad comparison
B) databases
C) information technology
D) social networking

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

234) Stuart Johnson renewed his membership at Bargain Barn. Shortly after renewing the card, Stuart started receiving calls from collection agencies claiming that he owed money. He quickly learned that another Stuart Johnson also owned a Bargain Barn card and missed many payments. Bargain Barn had linked Stuart's personal information with the other Stuart Johnson's personal information. Stuart experienced

234) _____

A) buyer's remorse.
B) database fraud.
C) purchase tracking.
D) identity theft.

Understanding Business 13th edition Nickels Test Bank

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : The Risks Associated with Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

235) Opportunities and advancements in the technological environment during the past 20 years have opened the doors for a number of products that enhance the lives of consumers. Identity theft and other forms of cybercrime are also by-products of these technological advancements. Which statement describes a form of identity theft?

235) _____

A) smartphone apps that permit the consumer to price-compare by scanning the barcode of a product, such as a backpack

B) hacking into a business's database to obtain customer credit card numbers, and then selling those numbers to others for use

C) GPS technology that permits you to find the exact location of a person, by entering that person's phone number into your application

D) the application of cookies to a consumer's computer system that identify their purchasing patterns.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : The Risks Associated with Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

236) Bethany got a call yesterday from First Bank, the company that issued her credit card, inquiring about an $105.00 charge made in Jamaica. Upon learning that Bethany was at home in Minnesota and had not made this purchase, the bank quickly took steps to cancel the card and issue a new one. Given the circumstances that Bethany's credit card number had an illegal transaction, the best course of action is to

236) _____

A) check her computer's firewall to make sure it is working.
B) cancel her account and eliminate credit cards from her life.
C) change her passwords and store them in a password manager.
D) diversify her spending habits by using one of several credit cards when making purchases.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Learning Objective : 01-04 Describe the effects of technology on businesses.
Topic : The Risks Associated with Information Technology
Accessibility : Screen Reader Compatible
Gradable : automatic

237) In today's competitive environment, good value means

237) _____

A) making products with zero defects.
B) superior quality that translates into durable products.
C) offering the latest trends without seeming like you are over the top.
D) providing quality products and services at competitive prices.

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

238) In today's competitive environment, successful businesses are keenly focused on their

238) _____

A) customers.
B) managers.
C) creditors.
D) suppliers.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

239) Empowerment means

239) _____

A) giving employees the authority to make decisions.
B) making certain that employees always defer to management when making decisions.
C) hiring employees that do not require training, due to the costly nature of this activity.
D) asking employees to write the policies which govern their jobs.

Understanding Business 13th edition Nickels Test Bank

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

240) Empowerment requires managers to focus more on _____ lower-level employees.
240) _____

A) directly supervising
B) training
C) eliminating
D) controlling and correcting

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

241) To implement a policy of empowerment, the organization will restructure so that
241) _____

A) managers have more responsibility and employees learn to follow directions.
B) employees assume more responsibility.
C) workers agree to work overtime without extra pay.
D) an entire level of management is removed from the organization.

Understanding Business 13th edition Nickels Test Bank

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

242) Which statement about the competitive environment is most accurate?

242) _____

A) Firms that produce a quality product will always succeed in the competitive marketplace.
B) Traditional firms will be unable to successfully compete against the new online firms unless they immediately create a way to reach customers through the Internet.
C) Firms that empower their employees will continue to perform poorly in the competitive environment.
D) Companies now have to offer both high-quality products and outstanding service at competitive prices.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

243) In order to compete well and gain market share, contemporary businesses are changing to be more

243) _____

Understanding Business 13th edition Nickels Test Bank

A) customer-driven.
B) cash-driven.
C) management-driven.
D) production-driven.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

244) Amir is a salesperson for Safe-T-Home Protection Services. He really appreciates the amount of freedom and authority the company gives its salespeople in order to better meet the needs of customers. Amir's experience suggests that Safe-T-Home practices

244) _____

A) centralized management.
B) fast response theory.
C) enfranchisement.
D) empowerment.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

245) Gabby is working as a marketing trainee for a streaming video company. Her boss called a meeting for next week with one thing on the agenda: "Bring with you your ideas about how we can gain a competitive advantage." Knowing the current competitive environment, what should Gabby suggest?

245) _____

A) Create a management-driven environment with lots of employee training.
B) Create a customer-driven environment where we constantly try to create customer value.
C) Restructure the organization so that there is always a manager on duty to chat with online customers who are having problems with their orders.
D) Always match the promotions of our competitors; price is the only thing customers care about.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

246) Garry called in a food order to feed his sales team. When he arrived to pick up, it was not what he ordered. The store associate quickly made it right, and offered a substantial discount to make up for the mistake. There was no need to check with the supervisor, and Garry was satisfied with the result. What aspect of good customer service was in place?

246) _____

A) high-quality products
B) employee empowerment
C) good value
D) management supervision

Understanding Business 13th edition Nickels Test Bank

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

247) Which statement best describes how firms must treat their frontline workers in order to remain competitive? Frontline workers must be

247) _____

A) empowered with the authority to respond quickly to the unmet needs of customers.
B) closely supervised to reduce the risk of product liability and discrimination lawsuits.
C) eliminated and replaced with automated equipment whenever possible.
D) relieved of any burden to make a customer decision.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

248) Nathan is in charge of production for a family-owned company that makes and sells kitchen utensils. He has stated that speed of delivery is the most important factor for success in the competitive environment. Given what you know, what would be the best response to Nathan?

248) _____

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A) You are right on target, Nathan. Time is money.

B) As long as our price is competitive, speedy delivery will win in today's changing marketplace.

C) Well Nathan, speed isn't everything. What would exceed our customers' expectations? Some consumers may put more importance on high quality and/or lower prices.

D) You couldn't be more wrong. Quality is the name of the game. He who has the best product will win in the competitive environment.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Accessibility : Screen Reader Compatible
Gradable : automatic

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

249) _____

A) psychographics.
B) econometrics.
C) demographics.
D) geometrics.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

250) Businesses collect _____ information on where people live, what they buy, and how they spend their time.

250) _____

A) geometric
B) econometric
C) demographic
D) anthropologic

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

251) Diversity is more than recruiting and keeping minority and female employees. Diversity means appreciating and understanding other differences in our customers and in our workforce. The best description of these differences is

251) _____

A) people with disabilities, people with different sexual orientations, religious preferences, and even personality differences such as extroverts and introverts.
B) people who embrace differing gender roles.
C) people with differing physical characteristics such as eye or hair color.
D) people with racial and gender differences.

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Question Details
Difficulty : 1 Easy
Bloom's : Remember
Accessibility : Keyboard Navigation
Learning Objective : 01-06 Analyze the social changes affecting businesses.
AACSB : Diversity
Topic : Cultural Diversity in the Workplace
Accessibility : Screen Reader Compatible
Gradable : automatic

252) Efforts are underway to serve the needs of a diverse population. Embracing diversity means

252) _____

A) selling products to immigrants.
B) dealing sensitively with workers and cultures around the world.
C) providing government programs such as free health care for illegal and legal immigrants.
D) meeting employment quotas so that diverse groups are always represented in your workforce.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
Accessibility : Keyboard Navigation
Learning Objective : 01-06 Analyze the social changes affecting businesses.
AACSB : Diversity
Topic : Cultural Diversity in the Workplace
Accessibility : Screen Reader Compatible
Gradable : automatic

253) What result is likely due to population shifts in the United States?

253) _____

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A) Businesses that cater to older consumers will see higher growth.
B) Businesses that cater to older consumers will see slower growth.
C) Businesses that sell electronic devices will see a significant decline.
D) Health care will emerge as the only business sector that will grow.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

254) Which industry will most likely benefit from an aging population?

254) _____

A) financial services to help clients plan for their education
B) home health care businesses
C) children's day care centers
D) auto industry

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

255) Which statement is accurate about the Social Security system?

255) _____

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A) It continues to burden businesses because businesses must provide and pay for this benefit for their employees.

B) It met the needs of our nation when it was first introduced, but needs an overhaul.

C) It will continue to serve the needs of U.S. citizens into the distant future, because there are so few retirees placing a strain on it.

D) It is failing because the U.S. government failed to invest the money that employees contributed.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

256) People over 75 years old represent

256) _____

A) the unemployed generation.
B) the lowest income generation.
C) the richest demographic group in the United States.
D) a group that has never contributed to Social Security.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

257) Businesses are supporting single-parent families with

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257) _____

A) increased Social Security benefits.
B) a more lenient welfare system.
C) more flexible work benefits such as flextime and family leave.
D) bonus payments for childcare needs.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

258) What group is expected to soon become the largest consumer group in the world?

258) _____

A) people over age 75
B) Baby Boomers
C) Generation Z
D) Generation X

Question Details
Difficulty : 1 Easy
Bloom's : Remember
Accessibility : Keyboard Navigation
AACSB : Knowledge Application
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

259) Which statement about demography is most accurate? Demographic studies

259) _____

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A) focus on factors that have great political relevance, but little relevance to business firms.

B) suggest that the number of single-parent families is declining.

C) provide businesses and individuals with insights into business and career opportunities for the future.

D) are an important source of information about changes in health patterns.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

260) Which business policy would most likely help a single-parent family?

260) _____

A) requiring the employee to work regularly scheduled hours each day

B) allowing sick leave to be used only if the employee is ill

C) requiring education outside of regular business hours to help the employee advance

D) allowing family leave and flextime

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

261) The immigrant population (both legal and illegal) is having the most dramatic effect on

261) _____

Understanding Business 13th edition Nickels Test Bank

A) car and truck makers.
B) the mining and minerals industry.
C) schools, hospitals, and other services industries.
D) the ice cream and confection industry.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

262) Retired people will be draining the U.S. economy of wealth. This is due to

262) _____

A) the fact that most have smoked all their lives and now are accumulating large healthcare bills.
B) the fact there are not enough workers in subsequent generations to support the ongoing drain of older persons entering the Social Security system.
C) their lack of interest in supporting restaurants, resorts, educational institutions, and service-intensive companies.
D) the fact that they refuse to use current information technology to improve efficiency.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

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263) If you were to discuss and analyze the social changes affecting the future of business, which statement should be part of that conversation?

263) _____

A) It is becoming more difficult to provide expert prenatal care for women, resulting in a negative impact on the future of childbirth.

B) The increase in older citizens may impact an employee's take-home pay if programs such as Social Security will need to be funded at a higher level. Skilled employees may require higher wages to make up the shortfall.

C) With less money to spend, older Americans over 65 will no longer require transportation, entertainment, education, and lodging. This is highly likely to negatively impact these industries.

D) Business taxes are likely to spike due to the fact that welfare laws are making it relatively easy for single parents to stay home with their children, rather than find jobs.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

264) What statement accurately reflects how businesses connect with Generation Z, as described in the "Connecting through Social Media" box?

264) _____

A) Generation Zers do all their shopping online, so brick-and-mortar stores do not need to feature goods or services appealing to them.

B) Retailers mostly ignore this group, as Generation Z is not a large enough demographic group to interest most businesses.

C) Generation Zers avoid online shopping, so businesses focus on reaching them through traditional advertising and clever in-store displays.

D) Businesses must be versatile in engaging Generation Z consumers, for example, by creating tools which can be used on the major social media platforms they are already using.

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Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

265) Olivia is looking into opening a day care in her community. She is aware of many single-parent families that need a place for their children to stay while they work, but she is concerned about the long-term prospects for such a business. Olivia thinks the future of her day care will depend on whether birth rates and the number of single-parent families keep growing. These concerns illustrate how businesses can be affected by _____ trends.

265) _____

A) econometric
B) demographic
C) geographic
D) psychometric

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

266) Community Hospital is looking into introducing a flextime program for its employees. A group of workers who would probably benefit from flextime is

266) _____

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A) workers who do not have access to computers at home.
B) workers who have little self-motivation to work eight-hour days.
C) frontline workers who frequently go out to meet with home furnishing designers.
D) single-parent families.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Accessibility : Screen Reader Compatible
Gradable : automatic

267) What statement is accurate about the global environment of business?

267) _____

A) It is a new and unknown frontier.
B) It is far reaching and affects all the other business environments.
C) It is rapidly shrinking in importance.
D) It has not affected the United States due to its strong gross domestic product.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

268) The threat of terrorism more often _____ the cost of operating a business.

268) _____

Understanding Business 13th edition Nickels Test Bank

A) increases
B) decreases
C) stabilizes
D) determines

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

269) An increase in global trade will most likely

269) _____

A) increase prices.
B) decrease jobs.
C) increase political instability.
D) increase global competition.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

270) It is most accurate to say that globalization

270) _____

Understanding Business 13th edition Nickels Test Bank

A) has greatly improved living standards around the world.
B) has significantly reduced living standards around the world.
C) has opened doors to only a handful of markets.
D) has greatly changed companies that hire people to sell products, but not companies that hire people to provide services.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

271) Greening refers to

271) _____

A) the need for more carbon dioxide in our air.
B) firms acquiring more greenbacks (U.S. dollars) from world trade.
C) finding ways to save energy and lessen the harm on our environment.
D) the agricultural industry's push to develop and produce new green vegetables to feed the world.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

272) Efficiency in distribution systems around the world has led to

272) _____

Understanding Business 13th edition Nickels Test Bank

A) increased world trade.
B) decreased world trade.
C) decreased international competition.
D) reduced standards of living around the world.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

273) War and terrorism in many parts of the world often lead to

273) _____

A) a decrease in warring nations.
B) consumers spending more because they feel more patriotic.
C) an increase in prosperity and peace throughout the world.
D) consumer and economic hardship due to increased military spending.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

274) World trade has both benefits and costs. Which statement best attests to this fact?

274) _____

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A) The U.S. economy and all businesses that participate in this economy were negatively impacted by recent wars.

B) The standard of living for citizens in developing nations has significantly decreased due to globalization.

C) Economists are convinced that global job creation will never occur if our politicians support world trade.

D) Large companies and small companies agree that the green movement is a global issue. Firms are embracing opportunities to bring value to consumers by creating green products and services.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

275) The green movement is

275) _____

A) a trend that started with the U.S. government.

B) concerned with depletion of natural resources.

C) developing more green food products to feed the world's poor.

D) our concern with the fact that everywhere we look, things are remaining green for longer periods of time.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

276) What statement is accurate about the threat of terrorism and business?

276) _____

A) It benefits most businesses because just about all companies can contribute toward averting these threats.
B) It only affects companies that participate in global trade.
C) It primarily affects companies that conduct business in warring nations.
D) It is costly to most firms because of increased costs for security, equipment, and insurance.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

277) According to the box, "Coca-Cola's Global Offerings Expand Far Beyond Soda," Coca-Cola competes in the global marketplace by

277) _____

A) focusing on selling its signature soft drink in its original packaging.
B) renaming, repackaging and rebranding its original soft drink in every market.
C) acquiring soft drink companies in overseas markets and quietly closing them.
D) researching local tastes and adapting its products to appeal to the marketplace.

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Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

278) Zach recently graduated with honors from his college. He has bragged to his friends that his academic performance has prepared him so well for a successful career that he can find a job with ease and forget other training in his future. In evaluating the future of the workplace, Zach is

278) _____

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 continuous learning will be needed in the future to adapt to rapid changes.
D) probably right. Specialized training today is a key to continued success in the future.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

279) Which statement describes a recurring theme about today's ecological environment?

279) _____

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A) Most people agree that there is strong evidence that the temperature of the planet is going down.

B) Smart businesses know that green business is currently a trend and they should proceed with caution because most green initiatives are more costly than wars and terrorism.

C) There is a strong incentive for businesses to develop products and services that clearly save energy.

D) Clearly, the greening issue is an American trend that has not captured the attention of the international business community.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : Globalization
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Accessibility : Screen Reader Compatible
Gradable : automatic

280) Since the 1800s, the U.S. has evolved

280) _____

A) straight from an agrarian economy to an information technology economy.

B) from a business to business economy to a business to consumer economy.

C) from an agrarian economy to a manufacturing economy to a service-oriented economy.

D) from a manufacturing economy to a service economy, to a cottage economy, and now we are trending back to an agrarian economy.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

281) Businesses that produce and sell tangible products such as steel and machines are part of the

281) _____

A) manufacturing industry.
B) knowledge-based industry.
C) service industry.
D) social services industry.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

282) The service industry represents about _____ of U.S. workers.

282) _____

A) 25%
B) 45%
C) 65%
D) 85%

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

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283) Health care, insurance, recreation, and other intangible products are provided by the
283) _____

A) information-based sector.
B) service industry.
C) industrial sector.
D) manufacturing industry.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

284) Since the beginning of the 1900s, the agricultural sector of the United States has
284) _____

A) seen the number of family farms more than double.
B) become less and less competitive in the global economy.
C) remained consistent in size and output.
D) experienced a significant drop in employment, mainly because of tremendous improvements in efficiency.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

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285) In recent years, almost all new job creation in the United States has occurred in the _____ sector.

285) _____

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

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

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

286) _____

A) service sector.
B) information-based sector.
C) manufacturing sector.
D) natural resources sector.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

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287) The value of a firm's intellectual capital refers to

287) _____

A) its reputation in the marketplace.
B) the type and success of its financial strategies.
C) its employee's knowledge and skills.
D) the average educational level of management.

Question Details
Difficulty : 1 Easy
Bloom's : Remember
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

288) Appliance repair firms, tax consultants, law firms, and insurance companies are all business firms that are part of the _____ sector.

288) _____

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

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

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289) Manufacturing firms in the United States have consistently been laying off workers. Based on what you have learned, the best explanation of this trend is that

289) _____

A) firms have been trying to weaken unions by reducing their reliance on labor.
B) workers in the United States have become less productive and cannot compete in the global economy.
C) firms in many industries have become so efficient that they need fewer workers.
D) the economy has been in a prolonged depression that has lasted more than a decade.

Question Details
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

290) Which statement best describes recent job growth in the service sector?

290) _____

A) The service sector has generated almost all new jobs in the American economy since the mid-1980s, but the rate of job growth in services has slowed in recent years.
B) Jobs in the service sector have increased slowly over the past decade, but most new jobs are created in the manufacturing industries.
C) Employment in the service sector has declined in recent years, and this decline is expected to continue.
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
AACSB : Reflective Thinking
Accessibility : Keyboard Navigation
Difficulty : 2 Medium
Bloom's : Understand
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

291) Which organization is an example of the goods-producing sector of the economy?

291) _____

A) Samsung Electronics
B) Princeton University
C) Bank of America
D) Barnes Hospital

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

292) Certain industries of the U.S. economy, such as farming and heavy equipment manufacturing, have experienced a significant decline in employment. Which statement best explains this job loss?

292) _____

A) The cause is a decline in the productivity of labor in these industries.
B) Workers lost these jobs because technological advances increased productivity.
C) The U.S. economy cannot compete in these industries any longer.
D) Government regulations have eliminated profit opportunities in these industries.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Bloom's : Apply
AACSB : Knowledge Application
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
Accessibility : Screen Reader Compatible
Gradable : automatic

ESSAY. Write your answer in the space provided or on a separate sheet of paper.
293) Describe three ways that governments can foster entrepreneurship and encourage the creation of wealth.

Question Details
Accessibility : Keyboard Navigation
Topic : The Private Enterprise System
Difficulty : 3 Hard
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Topic : The Impact of Information Technology on Business
AACSB : Analytic Thinking
Bloom's : Analyze
Accessibility : Screen Reader Compatible
Gradable : manual

294) Describe how businesses can use technology to be more responsive to customers.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : The Impact of Information Technology on Business
Learning Objective : 01-04 Describe the effects of technology on businesses.
AACSB : Analytic Thinking
Bloom's : Analyze
Accessibility : Screen Reader Compatible
Gradable : manual

295) Competition among businesses has never been greater. Identify and describe two ways that businesses can become more competitive.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
AACSB : Analytic Thinking
Bloom's : Analyze
Accessibility : Screen Reader Compatible
Gradable : manual

296) What is demography? Identify two demographic trends in the United States and discuss how they will impactUnited States businesses.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
AACSB : Analytic Thinking
Bloom's : Analyze
Accessibility : Screen Reader Compatible
Gradable : manual

297) Describe what we mean by greening and thinking green. List five ways that people and businesses are participating in the green movement. List business opportunities that may emerge from this movement.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Learning Objective : 01-07 Identify what businesses must do to meet global challenges, including war
Topic : Corporate Social Responsibility
AACSB : Analytic Thinking
Bloom's : Analyze
Accessibility : Screen Reader Compatible
Gradable : manual

298) Trace the evolution of American business. Identify the key trends, and discuss the implications these trends have for the future.

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Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : The Evolution of Business
Learning Objective : 01-08 Review how past trends are being repeated in the present and what those tr
AACSB : Analytic Thinking
Bloom's : Analyze
Accessibility : Screen Reader Compatible
Gradable : manual

SECTION BREAK. Answer all the part questions.

299) Eli Moneybags works for Second Commercial Bank, one of the largest banks in the Southwestern U.S. He is a loan officer, specializing in mortgages. Tio Jaime, Eli's favorite (and wealthiest) uncle, passed away last month and left him a sizable amount of money. Eli is looking at the best way to invest his newly acquired wealth. He is considering many options, ranging from simply putting the money into a savings account to the possibility of starting his own business. Although his bank job pays well and offers pleasant working conditions, Eli is frustrated because he has little freedom or flexibility to deal with customers since every decision he makes must be approved by his supervisor. He is also a bit bored and looking for a new challenge. He thinks he might get a lot of satisfaction from owning his own business. Eli has not made a definite decision yet, but has talked to a lot of people searching for a good idea for a new business. If he can come up with an idea he likes, he might just quit his current job and use his inheritance to go into business for himself!

Question Details

299.1) As he starts his research, Eli notices that some opportunities appear to be riskier than others. When considering various opportunities, Eli should keep in mind that

299.1) _____

A) he will be better off picking a low-risk business opportunity since the safest ones are usually the most profitable as well.
B) even though some opportunities appear riskier than others, the level of risk actually varies little from one opportunity to another.
C) high-risk business opportunities often have the potential for high returns as well.
D) government regulations are in place to protect investors and entrepreneurs from failure, so there is no need to worry about risk.

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Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 3 Hard
Bloom's : Analyze
AACSB : Analytical Thinking
Accessibility : Screen Reader Compatible
Gradable : automatic

299.2) Eli's frustration with his lack of freedom at work indicates that Second Commercial

299.2) _____

A) prefers the use of cross-functional teams rather than individual initiative.
B) has not adopted a strategy of empowerment.
C) knows that the best way to ensure good customer service is to closely monitor its lower-level employees.
D) is trying to please customers as well as other stakeholders.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : Competition
Learning Objective : 01-05 Demonstrate how businesses can meet and beat competition.
Bloom's : Analyze
AACSB : Analytical Thinking
Accessibility : Screen Reader Compatible
Gradable : automatic

299.3) Two of his friends approached Eli with a proposal to start a language school. Eli is fluent in English and Spanish, and also has an education degree. He is strongly considering the idea but wants to know if there is a growing demand for his services. He learns that an important demographic trend is

299.3) _____

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A) the service sector is likely to decline in significance in the next few years.
B) the number of young children in the United States will decrease significantly over the next few years as the population of the country levels off.
C) the number of immigrants is increasing steadily in his area and across the nation. Professionals in hospitals and schools need to know how to speak more than one language.
D) the number of retirees is decreasing, making way for a younger generation.

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : Social Environment
Learning Objective : 01-06 Analyze the social changes affecting businesses.
Bloom's : Analyze
AACSB : Analytical Thinking
Accessibility : Screen Reader Compatible
Gradable : automatic

299.4) As he explores his options for starting a new business, Eli has looked into the tax implications and government regulations that he would encounter. He wants to maintain an office in a different location from his home. He has discovered that some nearby communities offer tax credits and lower taxes than his town. His decision will be influenced by the _____ environment.

299.4) _____

A) demographic
B) technological
C) social
D) economic and legal

Question Details
Accessibility : Keyboard Navigation
Difficulty : 3 Hard
Topic : The Legal and Regulatory Environment
Learning Objective : 01-03 Analyze the effects of the economic environment and taxes on businesses.
Bloom's : Analyze
AACSB : Analytical Thinking
Accessibility : Screen Reader Compatible
Gradable : automatic

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299.5) If Eli starts his own business, his firm's activities and policies will impact many different groups of stakeholders, including employees, customers, creditors, suppliers, and people living in the community where his business is located. Which statement represents how Eli should deal with these various groups? Eli should

299.5) _____

A) take the needs of all these groups into account, and try to satisfy each group as much as possible.
B) concentrate on meeting the needs of his customers, since they are crucial to the success of his business, but ignore the needs of other groups in order to keep costs low.
C) satisfy whichever group complains the loudest, using the "squeaky wheel gets the grease" philosophy.
D) concentrate on maximizing his own profits and let everyone else look out for themselves.

Question Details
Learning Objective : 01-01 Describe the relationship between profit and risk, and show how businesses
Accessibility : Keyboard Navigation
Topic : The Factors that Affect the Success or Failure of an Organization
Difficulty : 3 Hard
Bloom's : Analyze
AACSB : Analytical Thinking
Accessibility : Screen Reader Compatible
Gradable : automatic

Understanding Business 13th edition Nickels Test Bank

Understanding Business 13th Edition by Nickels CH01

Answer Key

Test name: CH01

1) TRUE
2) TRUE
3) FALSE
4) TRUE
5) FALSE
6) TRUE
7) TRUE
8) FALSE
9) TRUE
10) TRUE
11) TRUE
12) FALSE
13) TRUE
14) TRUE
15) TRUE
16) TRUE
17) FALSE
18) TRUE
19) TRUE
20) FALSE
21) TRUE
22) TRUE
23) FALSE
24) FALSE
25) TRUE
26) TRUE

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27) FALSE
28) TRUE
29) FALSE
30) FALSE
31) TRUE
Many companies are setting up design and production facilities here in the United States. For example, Hyundai designs cars in California, operates engineering work in Detroit, and produces cars in Montgomery, Alabama. Such insourcing creates many new jobs, and helps offset the number of jobs being outsourced.

32) TRUE
An entrepreneur is someone who risks time and money to start and manage a business.

33) TRUE
The profit a firm earns is found by subtracting total costs from total revenue. $10 million − $8 million = $2 million

34) FALSE
35) FALSE
36) TRUE
The standard of living is the amount of goods and services people can buy with the money they have. The quality of life is a broader measure of social welfare that refers to the general well-being of a nation's citizens. If citizens benefit from a cleaner environment, more political freedom, or more leisure time, their overall welfare (quality of life) may improve even if they are not able to purchase more goods and services with their incomes.

37) TRUE
38) FALSE

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39) FALSE
40) FALSE
41) FALSE
42) TRUE
43) FALSE
44) FALSE
45) FALSE
46) FALSE
47) TRUE
48) FALSE
49) TRUE
50) TRUE
51) TRUE
52) TRUE
53) FALSE
54) TRUE
55) FALSE
According to leading economists and business analysts like Peter Drucker, entrepreneurship and knowledge are the two key factors that enhance the creation of wealth.

56) FALSE
While labor is included in the factors of production, entrepreneurship and knowledge are considered the most important factors in the creation of wealth.

57) TRUE
Entrepreneurship promises its participants the opportunity for great success; however, the potential of failure also looms in the process.

58) TRUE
59) FALSE

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60) TRUE
61) TRUE
62) FALSE
63) FALSE
64) TRUE
65) TRUE
66) TRUE
67) FALSE
68) TRUE
69) FALSE
70) FALSE
71) TRUE
72) TRUE
73) TRUE
74) FALSE
75) TRUE
76) TRUE
77) FALSE
78) TRUE
79) FALSE
80) TRUE
81) FALSE
82) TRUE
83) TRUE
84) FALSE
85) TRUE
86) TRUE
87) TRUE
88) FALSE
89) FALSE

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90) TRUE
B2C companies specialize in selling goods to consumers.

91) TRUE
92) TRUE
As important as the Internet has been in the consumer market (B2C), it has become even more important in the business-to-business (B2B) market.

93) FALSE
94) TRUE
95) FALSE
96) TRUE
97) TRUE
98) FALSE
99) TRUE
100) FALSE
101) TRUE
102) FALSE
103) FALSE
104) FALSE
105) FALSE
In the current competitive environment of every industry, customers are looking for high quality and good value, at competitive prices.

106) TRUE
Companies now have to offer both high-quality products and good value, but also outstanding service at competitive prices. Through restructuring, owners/managers often give up some of their authority and empower employees to make decisions that exceed customer's expectations.

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107) FALSE
108) FALSE
109) TRUE
110) TRUE
111) TRUE
112) FALSE
113) TRUE
114) TRUE
115) TRUE
116) FALSE
117) FALSE
118) TRUE
119) FALSE
120) TRUE
121) FALSE
The current Social Security system means that today's workers pay for today's retirees. To date this has worked since there are more workers supporting each retiree. However, soon, less money will be coming into Social Security than will be going out and there will be a shortfall, suggesting that today's young people will not have Social Security benefits in the future.

122) TRUE
When scanning the social environment for opportunities and threats, business professionals study demographic changes in their respective markets. Demographic changes like age can have a significant impact on business choices and career opportunities.

123) FALSE
124) TRUE

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Generation Z will soon be the largest group of consumers in the world, accounting for as much as $143 billion spending power inthe United States alone. Designing products and services to meet the broad tastes of this demographic is critical to the success of many companies.

125) TRUE
126) TRUE
127) TRUE
128) FALSE
129) TRUE
130) TRUE
131) TRUE
132) FALSE
133) TRUE
134) FALSE
135) TRUE
Although wars are quite costly for most companies, there are some whose revenues and profits grow. These are usually companies with government contracts that support the war effort.

136) FALSE
137) FALSE
138) TRUE
139) FALSE
140) FALSE
141) TRUE
142) FALSE
143) TRUE
144) TRUE
145) TRUE
146) FALSE

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147) TRUE
148) FALSE
149) TRUE
150) TRUE
151) FALSE
Some jobs in the service sector do pay low wages, but there are actually more high-paying jobs in the service sector than in the goods-producing sector. Service jobs include high-wage positions in such industries as healthcare, accounting, architecture, law, and telecommunications.

152) TRUE
153) FALSE
154) TRUE
155) TRUE
156) C
157) A
158) A
159) B
160) B
161) B
162) D
163) A
164) B
165) D
166) C
167) C
168) A
An entrepreneur is a person who risks time and money to start and manage a business.

169) D

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Amazon is the only one of the organizations listed which seeks to earn a profit. All the others are nonprofit organizations.

170) D
Those companies with high risk also often possess the potential for high profits. Entrepreneurs must weigh risk and profit and find the right balance.

171) A
Companies including Honda and Hyundai have set up design and production facilities in the United States. Insourcing creates many new jobs, and helps offset the number of jobs being outsourced. Because insourcing creates jobs, it actually helps the U.S. economy.

172) B
Although schools, charities, and government agencies often provide goods and services, they do not seek a profit. Therefore, they are nonprofit organizations rather than businesses.

173) A
A business is an activity that seeks to profit by providing goods and services to others. Nonprofit organizations, such as charities and government agencies, also provide goods and services to satisfy the needs of people within a society, but they do not seek a profit.

174) C
The standard of living of a country refers to the amount of goods and services people can buy with the money they have.

175) C
Stakeholders are all the people affected by a business. Today's firms attempt to meet the needs of all stakeholders.

176) D

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Businesses are part of an economic system that helps create a higher standard of living and quality of life for everyone.

177) A
Profits are found by subtracting costs and expenses from revenues, so Jensen Consulting profits are $34 million - $10 million = $24 million.

178) B
An entrepreneur is a person who assumes the risk of starting a business.

179) C
Investing in a savings account at a bank entails very little risk but earns a relatively small return. Business opportunities that offer the potential for high profits are often associated with a high level of risk. An investor must weigh the potential profit of an investment with its risk.

180) C
The standard of living refers to how much people can buy with their income. Since prices have gone up faster than her income, Maya's standard of living has declined. However, quality of life refers to a broader measure of general well-being. The improved quality of the environment, safer streets, increased leisure time, and improved medical care would all contribute to an improvement in general well-being, and hence would increase the quality of life.

181) B
In order to stay competitive, entrepreneurs must find a market niche—something the market needs.

182) B

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It is important to consider all stakeholders that your business affects. Stakeholders include customers, employees, suppliers, and other businesses and residential areas that are located within proximity of your business location.

183) D
184) B
185) C
186) C
187) D
188) A
189) C
Entrepreneurs and small business owners do not receive the employer-paid benefits that a large firm can offer, including such things as paid vacations and health insurance benefits. They give up these opportunities for the freedom to work for themselves and keep the profits that their businesses realize.

190) A
One of the benefits of owning your own business is the freedom to keep the profits after taxes. Another is the enjoyment of being your own boss.

191) C
According to the late Peter Drucker, knowledge is and will be the most important factor of production in our economy.

192) C
The factors of production known as *knowledge* and *entrepreneurship* contribute toward a nation's opportunity to innovate and create new products and services. Entrepreneurs use their knowledge to grow their businesses and increase wealth.

193) B

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The foundation for social progress is having the right business environment. When businesses create wealth and jobs, they are able to contribute to the social progress in the area where they operate. The result is usually good schools and other social services, such as police protection and good health environment.

194) D
There are five major categories of factors of production: land, labor, capital, entrepreneurship, and knowledge. Poor nations often have plenty of labor and land, but lack entrepreneurship and knowledge resources. Thus, the only accurate statement is that knowledge and entrepreneurship are the most important factors of production for the creation of wealth.

195) D
As a factor of production, capital includes tools, machinery, equipment, such as the trucks, hand carts, and forklift machines mentioned in this question.

196) C
The factors of production that seem to contribute most to the generation of wealth are entrepreneurship and knowledge. Thus, one key to promoting wealth creation is to foster entrepreneurship.

197) C
The business environment consists of surrounding factors that either help or hinder the development of businesses. Success in business depends on consistently adapting to changes in the market.

198) C
Entrepreneurship is one of two factors of production that management theorists believe to be most important for wealth creation. The other is knowledge.

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199) A
200) A
201) B
202) A
203) C
204) D
The government can establish a currency that is tradable in world markets so that businesspeople can buy and sell goods and services anywhere in the world using that currency.

205) A
Minimizing taxes and fewer government regulations are favorable policies toward the creation of businesses.

206) A
Governments should help to minimize corruption in business for several reasons. It's hard to do business in many poor countries because the governments ignore corruption among businesses and the governments are also corrupt. It's very difficult in such countries to get permission to build a factory or open a store without a government permit, which is obtained largely through bribery of public officials. Among businesses themselves, leaders can threaten competitors and minimize competition.

207) C
One of the things governments can do to encourage entrepreneurship is keep business regulations to a minimum. Regulations may be desirable in other respects, but they tend to discourage entrepreneurship by making the formation and management of businesses more difficult and expensive.

208) C

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Netflix embraced new opportunities in technology and saw opportunities in the social environment. With single- and dual-income families pressed for time, customers are seeking added conveniences. Netflix differentiates its product, positioning itself as friendlier and cheaper. Blockbuster was slow to react to competitive pressures. Although customers also enjoyed the cheaper prices, the technological environment made it cheaper for Netflix to keep costs down and pass along savings to the customer. The economic downturn had little effect on this situation; and the firms operated within the legal limits of the law.

209) D
Without enforceable contracts between firms, small and large businesses cannot efficiently conduct business. The government can lessen the risks of entrepreneurship by passing laws that enable people to write good business contracts that are enforceable in court.

210) B
Management's business ethics sets the tone for the company's value system. Corruption and illegal activities at some companies do negatively affect the business community as a whole and can create greater risk.

211) B
212) A
213) B
214) B
215) D
216) A
217) A
218) D
219) C

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220) A
221) A
222) C
223) B
224) B
225) B
226) C
Technology is everything from phones to software programs that make businesses more efficient and productive. Productivity is the amount of output you generate given the amount of input.

227) A
B2B stands for business-to-business and B2C stands for business-to-consumer.

228) C
Socially minded enterprises like Earth Angel and Bubbly Dynamics hope other companies will follow their lead and adopt similarly sustainable business practices in the near future.

229) D
Since WebSure is providing services to other businesses over the Internet, it is engaging in business-to-business (B2B) transactions.

230) D
A database is an electronic storage file where information is kept.

231) D
Due to the efficiency of new technology, businesses can produce the same or more, with less labor. As we emerged from the recession of 2008, unemployment remained high because firms invested in technology that permitted them to produce at pre-recession levels with fewer employees.

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232) B
The information Ray provided to a business when he purchased something from it was entered into its database and then traded to another company so that many more retailers know what Ray buys and from whom he buys it.

233) C
The Internet has led to the growth of e-commerce. Customers can interactively use the Internet to compare items, their quality, and price. It has dramatically changed the shopping experience.

234) D
Identity theft is obtaining private information about a person, such as Social Security number and/or credit card number, and using that information for illegal purposes, such as buying things with it.

235) B
It is a criminal offense to participate in unauthorized entry into a company's private (internal) database, where sensitive information, such as credit card numbers, is stored.

236) C
Taking preventative measures in protecting your passwords is an important step in preventing identity theft.

237) D
238) A
239) A
240) B
241) B

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Empowering employees leads to developing entirely new organization structures to meet the changing needs of customers and employees. It may take years to restructure an organization so that managers are willing to give up some of their authority and employees are willing to assume more responsibility.

242) D
Companies now have to offer both high-quality products and outstanding service at competitive prices (value).

243) A
Competition among businesses has never been greater. The nature of the competitive environment has encouraged businesses to offer high-quality products and outstanding service. The goal is to be customer-driven.

244) D
Empowerment means giving frontline workers more freedom to respond quickly to customer requests.

245) B
Businesses must be customer-driven. While consumers demand high quality, they also have come to expect reasonable prices and exceptional service. In today's highly competitive business environment, providing a quality product is no longer enough. Consumers and industrial buyers now expect more.

246) B
Empowerment means permitting employees to make decisions in the process of doing their job.

247) A

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In order to meet the needs of customers, firms must give their frontline workers more freedom to respond quickly to customer requests. This is the concept of empowerment, which is an important theme throughout the text.

248) C
Successful organizations are customer-driven. This means that customers' wants and needs are the first priority. All decisions are focused on the blend of price, service, and quality that will best delight the customers.

249) C
250) C
251) A
252) B
253) A
254) B
255) B
256) C
257) C
258) C
259) C
Demography is the statistical study of the human population to learn its size, density, and characteristics. Demographics can provide important insights into which markets are growing and which are declining.

260) D
Single parents have convinced some businesses to implement programs such as family leave (where workers can take time off to attend to a sick child) and flextime (where workers can come in or leave at selected times).

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261) C
The service industry is greatly impacted by immigration. As the immigrant population increases, more social services are needed, particularly health services and education services.

262) B
A particular situation that will be negatively impacting the social environment is the number of aging Americans and the drain on the Social Security system. Today's workers pay for today's retirees. When the system was enacted in 1940, there were 42 workers for each retiree. Today the ratio has become much smaller. With baby boomers retiring, the ratio is projected to drop to 2.2 workers for every retiree by 2036.

263) B
The increasing rate and number of retiring workers have impacted the U.S. Social Security system put in place by President Franklin D. Roosevelt in the 1940s. It is currently a hot topic affecting the social environment of businesses by how much of their earnings current employees will need to contribute or whether current employees should have to contribute to this system. Younger employees are concerned that the Social Security fund will run out of money by the time they are ready to retire.

264) D
Modern companies will need to be versatile in order to appeal to young consumers. For instance, social networks like Instagram and YouTube have grown so big that tech developers have largely stopped trying to create new apps to compete with them. Instead, many of today’s social media start-ups focus on creating tools that can then be used on major platforms.

265) B

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Demography is the statistical study of the human population to learn its size, density, and characteristics. Birth rates and the number of single-parent families are both demographic factors.

266) D
Flextime is the practice of coming in or leaving work at selected times. This allows workers with young children the flexibility they often need.

267) B
268) A
269) D
270) A
271) C
272) A
Two things that have led to more trade are efficiency in distribution and communication.

273) D
War and terrorism will cause hardships for consumers and the economy due to the movement of government funds from social programs and issues to military spending.

274) D
The green movement has provided many opportunities for new business offerings. The other statements are false.

275) B
The greening trend is about saving energy and natural resources and concern with what we leave behind.

276) D

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The threat of terrorism adds greatly to business costs, including the cost of security personnel, security equipment, and insurance. The government has also experienced huge costs increases because of homeland security issues. While many businesses will struggle in this new environment others stand to gain, particularly those in the defense industry.

277) D
Coca-Cola owns hundreds of drink brands that cater to the diverse needs of markets around the world. The company carefully researches local tastes and incorporates these flavors into beverages that appeal to global consumers.

278) C
The highly competitive nature of the global economy and rapid changes in technology mean that students must keep their skills and knowledge up-to-date even after they graduate.

279) C
Most scientists and many of the world's largest firms—including General Electric, Coca-Cola, Shell, Nestlé, DuPont, Johnson & Johnson, British Airways, and Shanghai Electric—say the evidence for climate change is overwhelming.

280) C
281) A
282) D
283) B
284) D
285) A
286) B
287) C

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288) D
All these companies provide an intangible product. Thus, they are included in the service sector.

289) C
While layoffs in manufacturing seem to imply that American firms are becoming less competitive, the opposite is actually the case. The layoffs are the result of tremendous improvements in productivity in recent years, which have enabled U.S. manufacturing firms to produce more goods with fewer workers.

290) A
The service sector has grown rapidly over the past two decades. However, the growth rate has slowed in recent years.

291) A
Firms in the goods-producing sector produce tangible products. Of the organizations listed in this question, only Samsung produces a tangible product.

292) B
History shows that technology has allowed business organizations to be more productive and therefore require less labor. This scenario first was observed in agriculture as productivity increases resulted in fewer farm jobs. Technological improvements in manufacturing have also resulted in increased productivity and fewer jobs.

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293) One of the best things government can do is help decrease the risk of starting businesses. This strategy will increase entrepreneurship and subsequently increase wealth. The government can do this by keeping taxes and regulations to a minimum. High taxes and burdensome regulations increase the cost of doing business and undermine incentives to work hard and take risks. Laws that encourage entrepreneurship have been enacted all acrosstheUnited States and the world. Entrepreneurs tend to favor those states and local areas where taxes are lowest and regulations are least restrictive.

Another way for government to actively promote entrepreneurship is to allow private ownership of businesses. This will create profit opportunities for individuals willing to take the risk of starting their own business. Successful new businesses help to create more jobs and income in their communities.

The government can pass laws that enable businesses to write enforceable contracts, thus reducing the risk of operating a business.

The government can establish a currency that is tradable in world markets, making it possible for firms to compete in world markets.

Government can pass and enforce laws that reduce corruption among government officials and businesses. Corrupt practices such as the need to bribe government officials to get contracts approved not only make it more expensive to do business, they also tend to undermine competition by giving the corrupt firms an unfair advantage.

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294) Businesses continually search for new technologies that will allow them to be more responsive to customer needs. Things such as bar code technology, scanners for checkout counters and inventory systems, and databases are proving to be valuable tools for most businesses. Particularly, databases store customer information. They help businesses plan and replenish inventory more expediently, because management can determine exactly what was purchased and how often, and by whom.

The Internet has offered businesses a new way to reach customers, and a way to provide information to customers that helps with buying decisions. Both B2B and B2C buyers and sellers converse online. The B2B market continues to expand as quickly as the B2C market.

Businesses are also responsive to customer privacy. Due to the increase in identity theft, companies sometimes promise to not share or sell customer information to other businesses or entities.

295) Businesses can compete by exceeding customer expectations and empowering employees.

Businesses are becoming more customer-driven. They are putting the wants and needs of customers first, and adjusting their products, policies, and practices to make sure customers are satisfied. Keeping the customer happy means producing a good quality product, providing great service, and keeping prices low.

Businesses also compete by responding to the needs of their employees. In order to be more flexible and more responsive, many businesses have empowered their lower-level employees, allowing them to make decisions and respond to the needs of customers without consulting management. For empowerment to work, managers must do a better job training, supporting, and motivating frontline workers. Managers will have to give up some of their authority and find ways to encourage workers to accept more responsibility.

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296) Demography is the statistical study of populations to learn about their size, density, and characteristics. The United States is experiencing several demographic trends that will have important impacts on how and where we live, what we buy, and how we spend our time:

Respecting Diversity. Diversity has come to mean much more than recruiting and keeping minority and female employees. Many more groups are now included in diversity efforts, including seniors, people with disabilities, people with different sexual orientations, atheists, religious, extroverts, introverts, married people, and singles. Companies have responded to this diverse customer base by hiring a more diverse workforce to serve them. Businesses will need to be sensitive to these cultural changes and find ways to optimize the contributions of people from different ethnic and cultural backgrounds. If handled correctly, this diversity can be a source of strength for American businesses.

Aging Population. There will be a large increase in the number of older Americans that will occur over the next few decades. This is the result of the aging baby-boom generation. As America ages, the markets for products that appeal to elderly consumers will grow. Thus, there should be a boom in the demand for medicine, retirement homes, home health care, and a variety of recreational goods. Retired people will also be draining the economy of wealth. Paying Social Security to senior citizens in the future will draw huge amounts of money from the economy. In the past, the government estimated that there were 42 workers for each retiree. Now it is projected there will befewer than two workers for each retiree by 2030. People are living longer and the baby-boom generation is retiring.

Single-Parent Families. Another trend has been the rapid growth in the number of single-parent households. Single parents have encouraged businesses to offer programs such as flexible work schedules and family leave that will allow the parent to remain home with sick children.

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Rise of Gen Z: Generation Z (those born after the mid-1990s) will soon be the largest group of consumers in the world, accounting for as much as $143 billion in spending power inthe United States alone. Companies must find ways to engage this group and design products and services to meet their needs. Social media will play a major role in this group's future purchasing decisions.

297) Greening refers to a movement to save energy and natural resources, to produce products and services that cause less harm to the environment.

Ways that people can contribute toward sustaining what we have include:

→ heating or cooling their dwellings less.

→ Using reusable bags when shopping.

→ Using light bulbs and other home appliances that take less energy.

→ Recycling glass, plastics, papers, aluminum, iron, steel, and other recyclable products.

→ Buying products such as autos and trucks that are fuel efficient or hybrids.

→ Walking and bicycling when possible.

→ Using other sources of energy other than fossil fuels to heat and cool buildings.

→ Flushing-out and recycling water.

→ Purchasing locally grown produce and other foods to avoid added shipping.

Green business opportunities include businesses that haul away hazardous waste; green restaurants that only use green materials and serve locally grown foods; green construction companies that sell and install energy-saving products, including solar panels and green building materials that meet LEED certification (Leadership in Energy and Environmental Design); and organic farms.

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298) For most of our nation's history, the agricultural sector led the way. But now, the number of farmers makes up less than 1 percent of today's population. This loss of farm workers was not a sign that farming was a declining industry. Rather, it reflected tremendous improvements in efficiency and productivity. Today American agricultural workers are so productive that more food can be produced with a small fraction of the workers employed a century earlier.

Many of the workers displaced by the rising productivity in agriculture found employment in the manufacturing sector, which expanded rapidly during the early 1900s. However, technological breakthroughs in manufacturing led to higher productivity. Eventually manufacturing firms were able to produce more output with fewer workers, and employment in manufacturing began to fall, just as in farming. Again, this was a sign of strength rather than decline.

Many workers who lost jobs in manufacturing found employment in the service sector. Since the mid-1980s this sector has generated almost all the new job growth in the American economy. This is a very broad sector, and many (but certainly not all) jobs pay quite well. In fact, there are more high-paying jobs in service industries than in manufacturing.

Although the service sector is likely to continue to grow, the rate of growth is likely to slow. The U.S. economy now seems to be leaving the service era and moving into an era that can be characterized as an information-based global revolution that will alter all sectors of the economy: agricultural, industrial, and service.

These trends suggest several lessons to keep in mind. First, declines in employment are often a sign of increased efficiency and improved productivity rather than declining competitiveness. Second, declines in employment in one sector do not necessarily mean the economy as a whole will suffer from higher unemployment or a loss of wealth. Historically, as employment in one sector declines, workers can move

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into other sectors where employment is growing. This transition can be painful, but it may benefit society as a whole and create more wealth in the long run. Finally, the evolution of the American business sector is not over. Workers today must be aware of the possibility of changes in the job market. The best strategy is to remain flexible, watch trends, and be ready and willing to move to where the jobs are.

The current consensus is that we are in the midst of an information-based revolution, where the global economy will set world quality standards for products and services. Businesses and governments will continue to support technologies that provide the necessary information to make better business decisions.

299) Section Break

299.1) C

In many cases, business opportunities that have the potential for earning high profits also carry a high level of risk. Investors must weigh profit and risk and choose opportunities that offer an acceptable trade-off between the two.

299.2) B

Empowerment means giving lower-level workers the freedom and flexibility to respond quickly to customers without consulting with managers.

299.3) C

Legal and illegal immigrants have had a dramatic effect on many cities. The schools and hospitals and other services have been affected. Some local governments are making every effort to adapt, including changing signs, brochures, websites, and forms to include other languages.

299.4) D

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The economic environment includes taxes and government regulations. As the textbook notes: Entrepreneurial decisions about where to locate a business can be strongly influenced by differences in taxes and government regulations.

299.5) A
All the groups mentioned in this question are stakeholders in a business. They are all affected by the products, policies, and practices of the firm and their concerns need to be addressed.

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