Contemporary Business (Canadian) 5th edition Boone; David L Test Bank

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Contemporary Business, 5Ce **(Boone)**
Chapter 1 The Changing Face of Business

TRUE-FALSE STATEMENTS

1) Large corporations are defined as businesses, whereas small companies are more of an investment.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.1 Define business.
Section Reference: What Is Business?
AACSB: Reflective Thinking

2) Business success does improve society's standard of living.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.1 Define business.
Section Reference: What Is Business?
AACSB: Ethics

3) In order to remain viable, not-for-profit organizations need to focus on profits even more than the public service they provide.
Answer: FALSE
Diff: 2
Bloomcode: Application
Learning Objective: 1.1 Define business.
Section Reference: What Is Business?
AACSB: Ethics

4) Not-for-profit organizations are commonly exempt from federal, provincial, and local taxes.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.1 Define business.
Section Reference: What Is Business?
AACSB: Analytic

5) Just as with a for-profit business, the first priority for a not-for-profit organization is making a profit.
Answer: FALSE
Diff: 2
Bloomcode: Application
Learning Objective: 1.1 Define business.
Section Reference: What Is Business?
AACSB: Reflective Thinking

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6) An accountant's view of profit is the difference between revenue and the cost incurred in generating the revenue. This view is shared by all business owners and the general public.
Answer: FALSE
Diff: 3
Bloomcode: Knowledge
Learning Objective: 1.1 Define business.
Section Reference: What Is Business?
AACSB: Analytic

7) Employees and founders of not-for-profit organizations do NOT usually earn any income from their operations.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.1 Define business.
Section Reference: What Is Business?
AACSB: Analytic

8) All factors of production are found in equal amounts in all businesses.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Analytic

9) Capital includes money, machines, tools, buildings, and human resources.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Analytic

10) Natural resources are essential for certain companies but are NOT required for all economic systems.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Analytic

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11) Technology is considered to be capital.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Technology

12) High-end technology, such as the Global Positioning Satellite System offered in some new cars, is considered a capital resource.
Answer: TRUE
Diff: 2
Bloomcode: Application
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Technology

13) When farmers rent land in order to increase crop production, they are acquiring capital.
Answer: FALSE
Diff: 1
Bloomcode: Application
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Reflective Thinking

14) Entrepreneurship is synonymous with "risk-taking."
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Technology

15) An entrepreneur and a manager are the same.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Analytic

16) The owner of a small business is part of the human resources of their organization.
Answer: TRUE
Diff: 3
Bloomcode: Knowledge
Learning Objective: 1.2 Identify and describe the economic factors of production.
Section Reference: Economic Factors of Production
AACSB: Analytic

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17) The private enterprise system encourages government intervention.
Answer: FALSE
Diff: 1
Bloomcode: Application
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Reflective Thinking

18) Canada functions under the private enterprise system.
Answer: TRUE
Diff: 1
Bloomcode: Application
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Reflective Thinking

19) Adam Smith's "invisible hand" refers to the battle among businesses for consumer acceptance.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Analytic

20) Profits are guaranteed by the private enterprise system for every entrepreneur with good management skills.
Answer: FALSE
Diff: 1
Bloomcode: Application
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Reflective Thinking

21) Private property is considered the most basic freedom in the private enterprise system.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Analytic

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22) When customers enter a supermarket and select their favourite brand of laundry detergent, they are exercising their right to freedom of choice.
Answer: TRUE
Diff: 2
Bloomcode: Application
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Reflective Thinking

23) When the government sets ground rules for competitive activity, the intent is to increase freedom of choice for consumers.
Answer: TRUE
Diff: 2
Bloomcode: Application
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Analytic

24) In the private enterprise system, government has no role to play in ensuring fair competition.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Analytic

25) Unfair or "cutthroat" competition, designed to eliminate competitors, is prohibited by the Canadian government.
Answer: TRUE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Analytic

26) Finding unique ways to use the factors of production is a common characteristic of most entrepreneurs.
Answer: TRUE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Reflective Thinking

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27) The Canadian Radio-television and Telecommunications Commission (CRTC) has made a decision that has increased the cost charged to small internet service providers that buy access from larger internet service providers such as Bell. This decision is a violation of the private enterprise system in Canada.
Answer: FALSE
Diff: 3
Bloomcode: Application
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Analytic

28) Successful entrepreneurs usually create large corporations.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.3 Describe the private enterprise system.
Section Reference: The Private Enterprise System
AACSB: Analytic

29) During the colonial period, the focus was on agriculture and other rural activities.
Answer: TRUE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

30) The Industrial Revolution began in Germany and quickly spread to the rest of Europe.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

31) The Industrial Revolution began in the United States with the development of the automobile.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

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32) During the Industrial Revolution in Canada, agriculture became mechanized.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

33) A key element of the production era was the use of consumer research.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

34) The production era preceded the age of industrial entrepreneurs.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

35) In consumer orientation, a company creates a product first and then determines if the consumer will likely purchase the product.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Reflective Thinking

36) The Nike swoosh is NOT considered a brand; only the company name can be a brand.
Answer: FALSE
Diff: 2
Bloomcode: Application
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

37) The current philosophy among managers today is best described as transaction management.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
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38) Information technology has been the key driver behind the social era.
Answer: TRUE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Technology

39) Technology has revolutionized business communications.
Answer: TRUE
Diff: 1
Bloomcode: Application
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Technology

40) Relationship management refers to ongoing, mutually beneficial ties between a company and its vendors.
Answer: FALSE
Diff: 2
Bloomcode: Application
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Technology

41) Branding is the promotion of products in the hopes that the business earns acceptable profits.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

42) Relationship management concentrates on short-term interactions with customers.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

43) Before the relationship era, businesses focused on transaction management.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

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44) The use of blogs as a link between companies and their customers is on the decline.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Technology

45) Attracting new customers is less expensive than developing long-term relationships with customers.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

46) A relationship that exists between companies is NOT part of the age of connections in the relationship era.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

47) The social era is based on business to customers connections through the use of technology.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Analytic

48) The use of assembly lines became popular during the colonial era.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Technology

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49) Relationship management is important in the relationship era and the social era.
Answer: TRUE
Diff: 3
Bloomcode: Knowledge
Learning Objective: 1.4 Identify the seven eras in the history of business.
Section Reference: Seven Eras in the History of Business
AACSB: Ethics

50) The needs of older workers are similar to those of younger workers.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Reflective Thinking

51) During the next few years, the average age of the workforce is expected to increase.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Analytic

52) Although the number of university-educated workers has increased in the last 20 years, the demand for workers is still greater than the supply.
Answer: TRUE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Analytic

53) Research indicates that work teams consisting of a diverse group of individuals often are more effective than less diverse work teams.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Diversity

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54) Outsourcing is the relocation of business activities to lower-cost locations overseas.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Analytic

55) Today, workers are much less likely to remain with the same employer throughout their entire careers.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Analytic

56) The new employer-employee relationship requires firms to establish rigid rules to govern employee activities.
Answer: FALSE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Analytic

57) The retirement of baby boomers CANNOT create a shortage in the Canadian workforce since students are graduating each year.
Answer: FALSE
Diff: 2
Bloomcode: Application
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Analytic

58) Skilled and knowledgeable employees are essential resources that could help an organization to create change in today's dynamic business environment.
Answer: TRUE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.5 Explain current trends in business.
Section Reference: Current Trends Related to Business
AACSB: Analytic

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59) The managerial quality of vision is the ability to see all the problems that might occur.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.
Section Reference: Skills and Attributes Needed by Today's Managers
AACSB: Analytic

60) Critical thinking skills and creativity are essential qualities for today's managers.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.
Section Reference: Skills and Attributes Needed by Today's Managers
AACSB: Analytic

61) Critical thinking is the ability to analyze and assess information to pinpoint problems and opportunities.
Answer: TRUE
Diff: 1
Bloomcode: Knowledge
Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.
Section Reference: Skills and Attributes Needed by Today's Managers
AACSB: Analytic

62) Creativity is the capacity to develop well-tested solutions to common organizational problems.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.
Section Reference: Skills and Attributes Needed by Today's Managers
AACSB: Analytic

63) A manager's only obligation is to create an environment for creativity and critical thinking. The implementation of those ideas is carried out by other departments.
Answer: FALSE
Diff: 2
Bloomcode: Knowledge
Learning Objective: 1.6 Identify the skills and attributes needed for today's manager.
Section Reference: Skills and Attributes Needed by Today's Managers
AACSB: Reflective Thinking

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