Business in Context 8th edition Needle Test Bank

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Name:_____ Class:_____ Date:_____

Chapter 1_The Concept of Business in Context

1. Which of the following statements is correct?
   a. A business is any organization that aims to make a profit.
   b. None of the activities of public sector organizations can be classed as business.
   c. In many of the activities it performs, a university may be considered a business.
   d. The terms enterprise, company and firm have different legal definitions.

ANSWER: c

2. Which of the following statements is correct?
   a. A business is an organized effort to produce goods and services to meet the needs of society.
   b. A business is an organization that produces goods for profit.
   c. Voluntary sector organizations such as charities cannot be considered as businesses.
   d. Only private sector organizations can be called businesses.

ANSWER: a

3. Which of the following statements is correct?
   a. Hospitals in the UK are not allowed to advertise their services.
   b. Hospitals in the USA are only allowed to advertise their services in the USA.
   c. By law, not-for-profit organizations in the UK are not allowed to make a surplus.
   d. There has been a growth in the number of hospitals around the world advertising their services to potential international customers.

ANSWER: d

4. Which of these four statements is correct?
   a. The 'Business in Context' model is an interactive influence model.
   b. The 'Business in Context' model identifies the organizational context as having most influence on business activities.
   c. The 'Business in Context' model identifies the environmental context as having most influence on business activities.
   d. The 'Business in Context' model identifies business strategy and management decision-making as having most influence on business activities.

ANSWER: a

5. Which of the following statements is correct?
   a. Businesses are best conceived as a simple network of interrelationships.
   b. The subjective preferences of individual managers have considerable influence on decisions in business organizations.
   c. The environmental context of business is a given that determines management decisions.
   d. Marketing decisions have little impact on human resource management.

ANSWER: b

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6. Which of the following statements is correct?
   a. Complex global business structures will invariably determine the strategy of the organization.
   b. The structure of an organization is more often than not determined by its strategy.
   c. The economic and political environment is the major determinant of the strategy of a global firm.
   d. The political and legal environment is the major determinant of the structure of a global firm.

ANSWER: b

7. Which of the following statements is correct?
   a. Innovation is mainly concerned with the development of new products.
   b. Marketing is essentially a task of persuading consumers to buy products they never thought they needed.
   c. Operations management is mainly a function found in the manufacturing industry.
   d. Finance and accounting is as much about managing cash flows as it is about producing accounts.

ANSWER: d

8. Which of the following statements is correct?
   a. A systems approach views the organization as made up of independent parts.
   b. A systems approach focuses on the desired outcomes of a business.
   c. A systems view sees organizations as a machine.
   d. The objective of feedback in a systems model is to adjust the inputs and processes in response to variations in output.

ANSWER: d

9. Which of the following statements is correct?
   a. All businesses have internal operations as their main focus.
   b. All businesses must innovate to survive.
   c. All businesses comprise a series of related activities in a number of different contexts.
   d. Businesses must not lose money, therefore accounting and finance is the key activity.

ANSWER: c

10. Which of the following statements is correct?
   a. Most decisions made by managers are rational and objective.
   b. Decisions that affect one part of a business will generally have an impact on other parts as well.
   c. Size, structure, and organization culture are very important but unrelated elements of the organization.
   d. Departmental managers are generally able to isolate their department from decisions and activities made in other parts of the organization.

ANSWER: b

11. Which of the following statements best highlights the difference between systems theory and contingency theory?

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a. The systems approach focuses on interactions between business activities and the environment in which they operate, whereas the contingency approach focuses solely on the environment.
b. Both are similar, but the contingency approach assumes that successful firms are those that adapt to the environment and unsuccessful firms do not.
c. The contingency approach assumes that business should adapt to its environment, whereas a systems approach incorporates the idea of influence being two-way.
d. The contingency approach is static and often dated, whereas the systems approach is dynamic.

ANSWER: c

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