
Student Name: _____

Teacher: _____

Date: _____

District: Wake County

Assessment: 9_12 Shared Courses BF10 - Principles of Business and Finance Test 3

Description: 2.1 and 2.2 Test

Form: 501

- 1. Tony organized all the automobiles that he has decided to sell at his dealership. Which part of economic decision-making process has he performed?**
 - A. Defining the problem**
 - B. Evaluating the advantages and disadvantages of each choice**
 - C. Choosing one choice**
 - D. Acting on a choice**

- 2. Jane's Steakhouse offers several dishes that may include whole wheat, corn, or beef. Which type of resource is included in the dishes?**
 - A. Capital**
 - B. Human**
 - C. Natural**
 - D. Service**

- 3. Jewel Manufacturing Company changed its production line to include more workers and decrease production time. Which economic question does this address?**
 - A. For whom to produce?**
 - B. How to produce?**
 - C. What to produce?**
 - D. When to produce?**

4. In a hypothetical economy, only 40 people were included and 15 pizzas were produced last year at \$7 dollars each. This information would be useful for which measurement of economic activities?
- A. Consumer spending
 - B. GDP
 - C. GDP per capita
 - D. Labor activities
5. When a government agency reports annually the total amount spent to pay employees, this information is useful for which measurement of economic activities?
- A. Consumer spending
 - B. GDP
 - C. Investment activities
 - D. Labor activities
6. A report covering several quarters about the economy includes that more companies are experiencing record high production and adding new employees. Also, wages and the rate of GDP are increasing significantly. Which phase of the business cycle does this report describe?
- A. Depression
 - B. Prosperity
 - C. Recession
 - D. Recovery
7. While conducting business in Japan, Shari adjusted her gift-giving practices to accommodate her Japanese business-partners. Which main factor of the international business environment did Shari consider?
- A. Cultural influences
 - B. Economic development
 - C. Geography
 - D. Political and legal concerns

8. The North American Free Trade Association (NAFTA) eliminates tariffs and embargoes among its members while trading goods and services. This is an example of which encouragement of international trade?
- A. Embargo
 - B. Free-trade agreement
 - C. Free-trade zone
 - D. Tariff
9. Due to the high volume of travelers visiting the United Kingdom, the country has set up duty-free shops in highly visited areas. This is an example of which encouragement of international trade?
- A. Embargo
 - B. Free-trade agreement
 - C. Free-trade zone
 - D. Tariff
10. An organization assisted two countries on settling a trade disagreement on the amount of bananas to be traded. This action is an example of assistance provided by which international trade organization?
- A. International Monetary Fund
 - B. Joint Venture
 - C. World Bank
 - D. World Trade Organization
11. The government of the United States allows consumers to make decisions about goods and services consumed. Which main factor of the international business environment is this information about this country classified?
- A. Cultural influences
 - B. Economic development
 - C. Geography
 - D. Political and legal concerns
12. Which statement is true about balance of payment?
- A. Balance of payments is favorable when a company pays more money out of it than it receives in it.
 - B. Balance of payments is favorable when a company receives more money into it than it pays out.
 - C. Balance of payments is favorable when a country pays more money out of it than it receives in it.
 - D. Balance of payments is favorable when a country receives more money into it than it pays out.

13. Mary owns stock for several companies, which she plans to pass ownership to her grandchildren. She chose this form of ownership over sole proprietorship because of the ADVANTAGE of:

- A. limited capital.**
- B. potential of unlimited liability.**
- C. potential of unlimited life.**
- D. single taxation.**

14. Several small businesses that sell organic foods have joined together to increase their chances to pay lower prices for inventory. This is an example of what type of business?

- A. Cooperative**
- B. Corporation**
- C. Franchise**
- D. Sole proprietorship**

15. Hank has ownership, even without liability over his initial investment, along with George for a local business. This is an example of what type of business ownership?

- A. Cooperative**
- B. Corporation**
- C. Partnership**
- D. Sole proprietorship**

16. Even though a company may sell shares of stock, it relies on a central body of people for financial directions. This is an example of what type of business?

- A. Cooperative**
- B. Corporation**
- C. Partnership**
- D. Sole proprietorship**

17. Since Jane's corporation has become so popular, she has decided to allow other businesses to sell her products. This is an example of what type of business?
- A. Corporation
 - B. Franchise
 - C. Partnership
 - D. Sole proprietorship
18. Todd decided to form a corporation instead of a sole proprietorship because of which ADVANTAGE listed below?
- A. Limited liability
 - B. Ease of formation
 - C. Single taxation
 - D. Limited life
19. Tami opened an auto body shop after repairing a couple of cars to the high satisfaction of customers. She has experienced which ADVANTAGE over a corporation?
- A. Double taxation
 - B. Ease of formation
 - C. Limited capital
 - D. Unlimited liability
20. Tami wants to invest money in shares of stock. She would have to pay taxes on her earnings twice. Which is an ADVANTAGE of a sole proprietorship over a corporation?
- A. Limited capital
 - B. Limited life
 - C. Single taxation
 - D. Unlimited liability
21. Both Bob and Jeri contributed to the expansion of their business to sell more brands of tires. They both experienced which ADVANTAGE of a partnership over a sole proprietorship?
- A. Limited liability
 - B. Limited life
 - C. More capital available
 - D. Unlimited capital

22. Carlos ignores minor decisions in his business even though his name is on the sign as one of the owners. This is an example of what type of business ownership?

- A. Corporation**
- B. Franchise**
- C. Partnership**
- D. Sole proprietorship**

23. Tami prefers working alone in her auto body shop and being in control of the daily activities. This type of business ownership ADVANTAGE over corporation is:

- A. control of decisions.**
- B. limited capital.**
- C. limited life.**
- D. unlimited liability.**

24. Chun purchased 150 shares of stock in the Panasonic Company. How many votes will she have at the next stockholder's meeting?

- A. 3**
- B. 30**
- C. 150**
- D. 300**

25. Jack and Henry are responsible for 20 people, who report to them directly. They collaborate frequently to make sure they will meet the production goal of the company established by another employee. This is an example of which level of management?

- A. Management by others**
- B. Mid-management**
- C. Supervisors**
- D. Top management**

26. Tim approves for his employees to attend regional meetings so that he knows exactly when they are off site. This is an example of which style of management?

- A. Mixed**
- B. Strategic**
- C. Tactical**
- D. Varied**

27. Jan coordinated access to open source software, office space, and equipment for her team. This is an example of which function of management?

- A. Implementing**
- B. Organizing**
- C. Planning**
- D. Staffing**

28. Vera meets regularly to discuss with all her employees new marketing campaigns. This is an example of which style of leadership?

- A. Autocratic**
- B. Democratic**
- C. Laissez-fare**
- D. Objective**

29. Josh conducts orientations to inform new employees about available benefits. Which human resources manager activity does he perform?

- A. Management of compensation methods**
- B. Management of performance of employees**
- C. Planning and staffing**
- D. Recruiting and hiring**

30. Harry checks his electronic calendar for tasks assigned by his boss regularly. He very seldom sees his boss. This is an example of which style of leadership?

- A. Autocratic**
- B. Democratic**
- C. Laissez-fare**
- D. Objective**

31. Jason decided for long-term projects that he would allow employees to give input and for daily routines he would determine the necessary duties. This is an example of which style of management?

- A. Mixed**
- B. Strategic**
- C. Tactical**
- D. Varied**

32. John is responsible for processing applications submitted by applicants. He is performing which level of management?

- A. Management by others**
- B. Mid-management**
- C. Supervisors**
- D. Top management**

33. Michelle reviewed survey results of a completed project and set goals for the new project. This is an example of which function of management?

- A. Controlling**
- B. Organizing**
- C. Planning**
- D. Staffing**

34. All of Josh's employees will be trained on operating the new machines. This is an example of which function of management?

- A. Controlling**
- B. Implementing**
- C. Organizing**
- D. Staffing**

35. Jim solicited feedback from Jack, who is one of his employees, about a new display case. This is an example of which style of management?

- A. Mixed**
- B. Strategic**
- C. Tactical**
- D. Varied**

36. Travis is excited about welcoming ten new interns during orientation. Which human resources manager activity did he perform?

- A. Managing compensation methods**
- B. Managing performance of employees**
- C. Planning and staffing**
- D. Recruiting and hiring**

37. Keisha allowed her employees to plan the expansion project. This is an example of which style of management?

- A. Mixed**
- B. Strategic**
- C. Tactical**
- D. Varied**

38. Timmy regularly meets with employees to prepare them for job evaluation conferences. Which human resources manager activity is he performing?

- A. Managing compensation methods**
- B. Managing performance of employees**
- C. Planning and staffing**
- D. Recruiting and hiring**