

Competency-Based
Competitive Events
Written Exam
for District/Regional Use

Test Number 1056
Booklet Number _____

Hospitality and Tourism Cluster Exam

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have _____ minutes to complete all questions.

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1. Which of the following is an example of consideration in a contract:
 - A. Giving away an item worth \$500
 - B. Putting the price in writing
 - C. Promising to make a gift
 - D. Selling an item for \$500
2. Businesses must comply with regulations that limit the amount and type of pollution and waste they produce. These regulations are referred to as _____ laws.
 - A. property
 - B. antitrust
 - C. environmental
 - D. industrial
3. The most basic right that guests of a property can expect to receive is a(n)
 - A. smoke-free room.
 - B. convenient parking lot.
 - C. good night's sleep.
 - D. inexpensive room price.
4. Lark Industries uses an intermediary to sell its goods. The intermediary does not buy them nor take title to the goods. What type of intermediary is Lark Industries using?
 - A. Discounter
 - B. Wholesaler
 - C. Retailer
 - D. Agent
5. Which of the following is an example of full-line forcing:
 - A. Company X requires Company Y to pay a fee to acquire shelf space for its products.
 - B. Company A requires Company B to purchase all the items in its product line.
 - C. Company N won't sell certain items to Company P or Company Q.
 - D. Company R won't sell items to Company T if Company T carries products from Company S.
6. Because David did not find the department's policy about working overtime in the company's employee handbook, he should
 - A. look for the policy on the company's web site.
 - B. ask the department manager about the policy.
 - C. question an employee from another department.
 - D. send a memo to the human-resources manager.
7. Listeners can support and encourage a speaker by
 - A. closing their eyes.
 - B. looking around the room.
 - C. maintaining eye contact.
 - D. glancing at the clock.
8. As Justin is cooking, his sister reads the recipe directions to him out loud. Justin isn't sure if she said one teaspoon of vanilla or two. He gives her a puzzled look, and his sister reads the directions again. Which of the following steps for following directions does this situation illustrate:
 - A. Acknowledge directions verbally or nonverbally
 - B. Accept responsibility
 - C. Take notes
 - D. Eliminate distractions
9. In which situation is it most appropriate to use technical jargon to communicate information?
 - A. While demonstrating a complex machine to a new customer
 - B. While casually talking with acquaintances during a social gathering
 - C. When making a public speech to the residents of a local community
 - D. During a meeting in which businesspeople share the same vocabulary
10. What is the purpose of developing and using graphics in business reports?
 - A. To entertain the audience
 - B. To communicate information
 - C. To fill up the page layout
 - D. To highlight reference material

11. XYZ Company's Board of Directors would like to share complex data from research reports with the company's employees as well as experts outside the company. Which is the best channel for delivering this information?
- A. Formal report
 - B. Memo
 - C. Telephone call
 - D. Face-to-face group meeting
12. Because Caroline does not have enough time to read an entire 400-page business report, what section of the report should she review to obtain an overview of the most important content?
- A. Appendices
 - B. Table of contents
 - C. Executive summary
 - D. Conclusions
13. The purpose of participating in staff meetings usually is to
- A. achieve a task.
 - B. share information.
 - C. conduct research.
 - D. develop a message.
14. An unhappy customer wants to return some merchandise to the resort's gift shop. The salesperson listens well and is polite and courteous to the customer. As a result of this professional approach, the customer leaves the business satisfied. This is an example of
- A. building positive customer relations.
 - B. reducing employee turnover.
 - C. providing quality products.
 - D. increasing sales through suggestion selling.
15. What kind of customer would make the following statement: "I just don't know how these items got into my pocket."
- A. Suspicious
 - B. Dishonest
 - C. Disagreeable
 - D. Domineering/Superior
16. Because Olivia is very happy with the quality of goods and services that she receives from the XOP Company, she provides the business with several referrals. This is an example of
- A. customer advocacy.
 - B. free advertising.
 - C. relationship buying.
 - D. public relations.
17. An example of distribution occurring in the travel and tourism industry is a passenger
- A. booking a flight.
 - B. calling a travel agent.
 - C. taking a cruise.
 - D. obtaining a ticket.
18. Businesses in trade industries that offer discount prices usually offer
- A. limited services.
 - B. full services.
 - C. plush interiors.
 - D. elaborate fixtures.
19. Which of the following is a true statement about business ethics and the law:
- A. Everything that is unethical is also illegal.
 - B. Everything that is illegal is also unethical.
 - C. The two are not the same thing, but they do overlap.
 - D. The two have nothing to do with each other.
20. Which of the following can be taxed twice:
- A. Corporate dividends
 - B. Capital gains
 - C. IRA contributions
 - D. Transaction fees
21. Lack of standardization occurs when
- A. tasks and processes are done differently every time.
 - B. employees don't understand how to use a machine or tool.
 - C. products are complex and difficult to assemble.
 - D. team members do not get along with each other.

22. Combining the right amount of variable resources to achieve production levels that maximize profits is an example of a business following the law of
- A. diminishing returns.
 - B. perfect competition.
 - C. supply and demand.
 - D. underused resources.
23. The prices of goods and services remaining fairly steady is an indication that the economy is
- A. stable.
 - B. depressed.
 - C. elastic.
 - D. risky.
24. The economy of the country of Swizzleland is undergoing rapid changes. Unemployment is low, consumer spending is high, and factories are increasing their production capabilities. Swizzleland is in the _____ phase of the business cycle.
- A. peak
 - B. trough
 - C. expansion
 - D. contraction
25. Online chats, forums, and communities that enable businesses to learn about the wants and needs of their worldwide target market have created a new form of
- A. cultural values.
 - B. class systems.
 - C. gender roles.
 - D. social relationships.
26. In an employment evaluation, new employees have to identify their self-concept. What are some examples they could use for identifying self-concept?
- A. Affirmations
 - B. Abilities
 - C. Visualizations
 - D. Physical traits
27. Carl wanted to make a good impression on his boss, so when he completed a task, he would find other things to do. Frequently, Carl made mistakes because he didn't know how to do everything. How can Carl alleviate this problem in the future?
- A. Clear the task first with the supervisor
 - B. When he gets stuck, just ask a coworker
 - C. Tell his boss when he has finished each task
 - D. Continue to show initiative as he has in the past
28. Whenever Jamie runs out of change, she helps herself to a little money from the business's petty cash fund. What Jamie is doing is
- A. reasonable.
 - B. dishonest.
 - C. justified.
 - D. impartial.
29. Effective managers involve employees in planning changes because people who help to initiate changes are usually more _____ to those changes.
- A. resistant
 - B. resigned
 - C. receptive
 - D. indifferent
30. What kind of barrier to communication exists when a business manager is presenting a report to staff members who are sitting on hard chairs in a cold, drafty room?
- A. Emotional
 - B. Motivational
 - C. Physical
 - D. Cultural
31. Ben and Tasha are coworkers who are applying for the same supervisory position in the company and now they are not speaking to each other. The reason for the conflict is
- A. unclear boundaries.
 - B. authority.
 - C. exclusion.
 - D. unclear expectations.
32. Which of the following is a true statement about the consensus-building process:
- A. It works best with only two people.
 - B. It should always be conducted formally.
 - C. It should involve only one or two ideas.
 - D. It varies from group to group.

33. Which of the following is an important part of tracking a coachee's progress:
- A. Beginning with constructive criticism
 - B. Meeting with the coachee on a regular basis
 - C. Focusing on the coachee's results instead of behavior
 - D. Making sure the coachee doesn't make any mistakes
34. Which of the following helps employees to develop positive working relationships:
- A. Human relations skills
 - B. Speech habits
 - C. Formal education
 - D. Personal grooming
35. Saving the money that you might ordinarily spend each day on a cup of coffee and a donut
- A. is not a practical step in reaching your financial goals.
 - B. will not result in significant savings.
 - C. is the sacrifice you must make for future financial security.
 - D. can help you achieve larger financial goals.
36. Which of the following is a source of income that a person should consider when developing a personal budget:
- A. Utilities
 - B. Insurance
 - C. Clothing
 - D. Salary
37. Individuals charging only the amount they can afford to pay in full every month is an example of
- A. a way to avoid identity theft.
 - B. saving money for the future.
 - C. the wise use of credit.
 - D. making a cash transaction.
38. Which of the following is not an important topic to discuss with a potential investment advisor?
- A. Education
 - B. Licensing
 - C. Hometown
 - D. Experience
39. A financial statement of a firm's current assets and liabilities is called a(n)
- A. balance sheet.
 - B. cash-flow projection.
 - C. income statement.
 - D. profit-and-loss statement.
40. Which of the following does not describe the information produced when accounting standards are applied:
- A. Credible
 - B. Relevant
 - C. Complex
 - D. Transparent
41. One reason why a business compares its income statement figures with those of competitors is to find out how it is doing in relation to
- A. economic forecasts.
 - B. research projections.
 - C. industry standards.
 - D. marketing procedures.
42. What is a business able to plan for if it has an efficient budget?
- A. Possible governmental regulations
 - B. Long-range economic conditions
 - C. Future competition
 - D. Anticipated profit
43. Introducing new employees to their coworkers is an important step in the _____ process.
- A. promotion
 - B. application
 - C. orientation
 - D. selection
44. Which of the following pieces of marketing information would be most useful to hotel staff wanting to personalize a repeat guest's stay at the hotel:
- A. Weddings, conventions, and other special events at the hotel
 - B. The hotel restaurant chef's specialties and nightly specials
 - C. Room accommodations that the guest has selected in the past
 - D. The total number of rooms that the hotel has booked for the night

45. If trends indicate that more people are booking airline flights to popular destinations, it is likely that
- A. tour attendance will decline.
 - B. lodging occupancy rates will increase.
 - C. the unemployment rate will increase.
 - D. consumer spending will decline.
46. Which of the following research techniques should you select if you need an accurate picture of restaurant customers' buying or usage patterns/habits:
- A. Focus group
 - B. Observation
 - C. Personal interview
 - D. Survey
47. What is the mode in the following example: 5 people eat pizza 1 time a week; 7 people eat pizza 2 times a week; 10 people eat pizza 3 times a week; 8 people eat pizza 4 times a week; and 2 people eat pizza 5 times a week.
- A. 3
 - B. 2.2
 - C. 4
 - D. 2.5
48. Why do business managers often prepare and use presentation software to support reports?
- A. To simplify complex information
 - B. To analyze financial data
 - C. To record minutes of meetings
 - D. To design marketing materials
49. When promoting tangible products, marketers often try to add some "intangibles" to their offer. Why is the reverse also true—that service marketers try to add some "tangibles" to their offer?
- A. Consumers need tangible characteristics as "signals" of quality before they buy.
 - B. Consumers need tangible "sizzle" added to services to get them interested enough to buy.
 - C. Services provide incomplete marketing propositions and need tangibles to flesh out the offer to the consumer.
 - D. Consumers are wary that they can't return an intangible service but feel better knowing that there are tangibles included.
50. Which of the following is a long-term goal:
- A. Washing the dishes
 - B. Passing your history test tomorrow
 - C. Getting a job at a publishing company
 - D. Finishing your current project
51. Empire Hotel maintains a list of its previous guests, along with their addresses, means of transportation, room preferences, and dates of their stays. What is Empire Hotel maintaining?
- A. Customer complaint log
 - B. Guest credit rating
 - C. Guest history record
 - D. Room status report
52. Which of the following statements is an example of an opinion:
- A. The chemical name for table salt is sodium chloride.
 - B. Politicians are unethical and should not be trusted.
 - C. The numerical value of pi is 3.14159.
 - D. James Polk was the 11th President of the United States.
53. To evaluate an Internet source, what aspect would you consider when assessing whether its information is clearly laid out so that it is easy to read?
- A. Objectivity
 - B. Relevance
 - C. Presentation
 - D. Timeliness
54. Natalie is a research associate for a marketing-research firm who spends a lot of her time on the Internet to obtain various types of business information. Natalie can save time and easily return to web sites that she frequently visits by using the _____ tool on her Internet browser.
- A. sorting
 - B. highlighting
 - C. bookmarking
 - D. classifying
55. One way that technological innovation has changed business is by decreasing the use of
- A. paper forms.
 - B. skilled workers.
 - C. fax machines.
 - D. phone systems.

56. To use various software programs, a computer must have a(n)
- A. Internet connection.
 - B. operating system.
 - C. search-engine mechanism.
 - D. task toolbar.
57. Which of the following is one way that businesses use database software programs:
- A. To design company stationery
 - B. To track operating expenses
 - C. To prepare annual reports
 - D. To maintain customer lists
58. What software are hotels, resorts, and various transportation entities using to expedite the reservation process for customers?
- A. Online booking
 - B. Customer reservation systems
 - C. Customer relationship management
 - D. Websites
59. When a business conducts an environmental scan, which of the following issues is a political factor that it should consider:
- A. Widespread use of wireless devices
 - B. Fluctuation of unemployment rates
 - C. Shifts in consumer lifestyles
 - D. Changes in regulation
60. To reduce the risk of accidents in stockrooms, businesses can provide stock personnel with
- A. procedures for receiving goods.
 - B. guidelines for transferring goods.
 - C. safety instructions for handling goods.
 - D. special shirts to wear in the stockroom.
61. Why do some businesses install electronic video monitor systems for surveillance of the premises?
- A. For communication
 - B. For security
 - C. For management
 - D. For maintenance
62. Which of the following is an example of a security procedure that business employees should follow to minimize the risk of loss:
- A. Comply with local safety regulations
 - B. Set alarms on doors at night
 - C. Know where first aid kits are located
 - D. Memorize emergency phone numbers
63. One of the most important aspects of project management involves
- A. training employees.
 - B. setting goals.
 - C. buying supplies.
 - D. identifying mistakes.
64. Which of the following skills does a project manager need to be able to guide or direct the actions of others in a desired manner:
- A. Goal setting
 - B. Decision making
 - C. Communication
 - D. Leadership
65. One aspect of managing the bid process in purchasing involves
- A. targeting customers.
 - B. negotiating prices.
 - C. scheduling deliveries.
 - D. developing specifications.
66. A business employee purchases \$1,750 worth of office supplies and receives an invoice offering a 2% discount for paying within 15 days. If the employee pays the invoice within that time, the business will save
- A. \$40.
 - B. \$30.
 - C. \$35.
 - D. \$50.
67. When handling various waste and chemical products, hotel employees can reduce the risk of contamination by
- A. wearing disposable gloves when handling the items.
 - B. sanitizing the products before handling them.
 - C. storing recyclables inside the facility.
 - D. washing their hands before contact with the product.

68. What is an important thing to do in order to reduce losses in the event of a robbery?
- A. Keep a minimum amount of cash in the cash register
 - B. Only build in the better parts of town
 - C. Install surveillance cameras in the building
 - D. Carefully screen all job applicants
69. Your body language affects how you present yourself in terms of your nonverbal cues and the
- A. level of productivity at work.
 - B. ability to maintain a healthy weight.
 - C. manner in which you carry yourself.
 - D. way you manage your clothing budget.
70. An effective technique in conducting a job search is writing to personnel directors and
- A. asking them to respond immediately.
 - B. inviting them to lunch.
 - C. requesting salary information.
 - D. addressing them by name.
71. What should applicants do before interviewing for a job?
- A. Find out about the business
 - B. Call the business for directions
 - C. Prepare a follow-up letter
 - D. Decide on an appropriate salary
72. Which of the following is a guideline to follow in writing a follow-up letter after a job interview:
- A. Be brief, concise, and prompt.
 - B. Make the letter chatty and personal.
 - C. Use colorful, informal notepaper.
 - D. Review your job skills in detail.
73. Lynda just graduated from college with a degree in recreation and parks management. She enjoys playing several different outdoor sports. Also, through her work as a lifeguard and camp counselor, she has found that she likes being in charge and working with others. Which of the following hospitality and tourism careers would you recommend that Lynda pursue:
- A. Convention manager
 - B. Timeshare sales manager
 - C. Human resources director
 - D. Resort activities director
74. If three employees have the same level of ability and competence, what factor might a business use to decide which one to promote?
- A. Age
 - B. Gender
 - C. Seniority
 - D. Tenure
75. Employees who want to enhance their careers and progress through the management ranks should develop their
- A. leadership skills.
 - B. social contacts.
 - C. job expectations.
 - D. artistic abilities.
76. Which of the following industries has most impacted the development of the hospitality industry?
- A. Lumber
 - B. Retail
 - C. Transportation
 - D. Financial
77. Which of the following factors impacts the price of hospitality and tourism products:
- A. Seasonality
 - B. Tangibility
 - C. Fragility
 - D. Inelasticity
78. Why is it important for a business to communicate the core values of its products?
- A. To analyze market research
 - B. To justify the price
 - C. To develop appropriate advertising
 - D. To appeal to the target market
79. Calculate the stock-turn rate for an item when the total number of units sold is 6,225, and the average number of items in stock is 1,245.
- A. 7
 - B. 3
 - C. 4
 - D. 5

80. What is the most important factor to consider when a hotel restaurant wants to buy fresh fruits and vegetables that are of the highest quality?
- A. Location of the supplier
 - B. Season of the year
 - C. Level of competition
 - D. Amount of available money
81. A reason that buyers can sometimes obtain discounts when selecting certain vendors is because they
- A. represent the producer.
 - B. buy for small hotel gift shops.
 - C. buy in quantity.
 - D. assure manufacturers of a profit.
82. In just its first six months of operation, Smoky Mountain Cabin Rentals has developed a long list of individuals who have specifically requested more information about the accommodations that Smoky Mountain offers. The company has a mailing address, phone number, and e-mail address for each person. Which of the following direct marketing media would be best suited for communicating directly with these potential guests on a weekly basis:
- A. E-mail
 - B. Direct mail
 - C. Web site
 - D. Television
83. Effective corporate blogs are typically
- A. search-engine friendly.
 - B. updated once per month.
 - C. highly technical in nature.
 - D. written by one author.
84. Jillian, who just opened a bed and breakfast in her home, wants to create and use her own Twitter hashtag to promote her new business. Which of the following tag names is most appropriate for Jillian to use in her tweets:
- A. #JilliansB&B
 - B. #Jillianssunsettosunrisebedandbreakfastinn
 - C. #ji11ian58&8
 - D. #pigsinablanket
85. Which of the following is an example of an e-mail attachment:
- A. smith@aol.com
 - B. nike.com
 - C. resume.doc
 - D. http://www.org
86. Advertisements for the Seashell Beachside Resort always contain illustrations of older, well-to-do adults, especially couples, engaged in athletic activities such as snorkeling, golfing, and water-skiing. Which of the following is the most likely reason for incorporating these illustrations in the ads:
- A. To make the brand heroic
 - B. To stimulate reading of the body copy
 - C. To create a social context for the brand
 - D. To add color to the advertisements
87. Which of the following often is an important part of creating effective advertising layouts:
- A. Developing a message
 - B. Selecting a slogan
 - C. Writing a signature
 - D. Using a large visual
88. An important consideration in selecting a customer evangelist for a restaurant is
- A. the person's work schedule.
 - B. the person's educational background.
 - C. the size of the person's social circles.
 - D. the person's political affiliation.
89. The statement, "For a brochure that tells the whole story of Ebony Resorts, call your local travel agent or 1-800-555-5555," at the end of an advertisement is an example of a
- A. seal.
 - B. brand.
 - C. close.
 - D. slogan.
90. Some publishers provide advertisers with revised proofs of the advertisers' ads, which show the advertisers
- A. recommended copy revisions.
 - B. corrections that need to be made.
 - C. suggestions for illustrations.
 - D. that corrections have been made.

91. One way that hospitality and tourism businesses might build customer loyalty is by participating in
- A. industry-related meetings.
 - B. service-quality programs.
 - C. marketing research studies.
 - D. community outreach activities.
92. The Elm Creek Bed and Breakfast, located in rural southern Indiana, is interested in generating more customer traffic at its website. Its target market is honeymooners and married couples aged 25 to 65 who live in southern Indiana or northern Kentucky. Which of the following online marketing options is most likely to attract the right target audience to the hotel's website:
- A. An advertisement in the *Indiana Adventures* e-newsletter
 - B. An article about the hotel in *Teen Ink* e-zine
 - C. A link on the *Midwest Lodging Directory* website
 - D. A link on the *U.S. Hotel and Lodging* web portal
93. Which of the following should be done first in preparing a news release:
- A. Evaluate the information
 - B. List the important facts
 - C. Evaluate the response
 - D. Identify the media
94. Businesses often track marketing-communications activities by monitoring
- A. priorities.
 - B. invoices.
 - C. suppliers.
 - D. transactions.
95. The Regal Hotel sends a 20% discount coupon to its previous guests to use if they book a room during a specific time period. This is an example of a(n)
- A. sales promotion.
 - B. institutional advertisement.
 - C. opt-in e-mail.
 - D. trade-in allowance.
96. A major hotel chain has developed a promotional mix that includes weekend price reductions and certificates entitling guests to cash discounts on lodging services and merchandise from a cooperating retailer. These are examples of what type of promotional activities?
- A. Public-relations promotions
 - B. Publicity
 - C. Visual merchandising
 - D. Special incentives
97. When a customer asks for a particular item, and the salesperson recommends a different item to satisfy the needs of that customer, the salesperson is engaging in
- A. suggestion selling.
 - B. product knowledge.
 - C. product substitution.
 - D. buying signals.
98. What should a salesperson do first in order to answer a customer's objection?
- A. Pause
 - B. Avoid argument
 - C. Listen
 - D. Show empathy
99. In order to effectively sell to an individual, what should a salesperson do after recognizing that the individual has a need?
- A. Provide information
 - B. Arrange financing
 - C. Develop a brochure
 - D. Sell a product
100. Ms. Woo is staying at a hotel that is across the street from the office of the client with whom she plans to meet. Which of the following factors most likely motivated Ms. Woo to select the hotel:
- A. Need for relaxation
 - B. Desire for convenience
 - C. Desire for safety
 - D. Need for prestige