

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

Test Number 1054  
Booklet Number \_\_\_\_\_

# Business Administration

## Core 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.

**CAUTION: Posting these materials on a website is a copyright violation unless specifically authorized by MBAResearch.**

This comprehensive exam was developed by the MBAResearch Center. Items have been randomly selected from the MBAResearch Test-Item Bank and represent a variety of instructional areas. Performance Indicators for this exam are at the prerequisite and career-sustaining levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.

Copyright © 2012 by Marketing & Business Administration Research and Curriculum Center®, Columbus, Ohio

Each individual test item contained herein is the exclusive property of MBAResearch. Items are licensed only for use as configured within this exam, in its entirety. Use of individual items for any purpose other than as specifically authorized in writing by MBAResearch is prohibited.

**Possession of this exam, without written authorization, under any other circumstances is a copyright violation.** Posting to inter- or intranet sites is specifically forbidden unless written permission is obtained prior to posting. Report violations to MBAResearch at 800.448.0398.

1. Quantex is organized as a partnership with eight equal partners. The partners would like to expand their business but limit the amount of money they could personally lose if the business were to fail. What form of ownership should Quantex consider?
  - A. Sole proprietorship
  - B. Corporation
  - C. Monopoly
  - D. Partnership
2. A researcher should consider an author's expertise in a particular topic when assessing the validity of written articles and publications to
  - A. evaluate the author's level of credibility.
  - B. verify the timeliness of the information.
  - C. analyze the author's emotional intelligence.
  - D. confirm personal understanding of the information.
3. What type of information concerning policies and procedures do employees often extract from an internal business report?
  - A. Former local competitors
  - B. Customer profiles
  - C. Industry research data
  - D. New personnel regulations
4. Which of the following techniques would help an employee to understand and follow the manager's instructions about operating office equipment:
  - A. Looking interested
  - B. Interrupting whenever necessary
  - C. Asking appropriate questions
  - D. Watching other employees
5. In all business occupations, it is important for workers to have effective use of
  - A. local slang.
  - B. several languages.
  - C. correct grammar.
  - D. technical jargon.
6. If a message recipient is frowning and has clenched fists, the emotional response that s/he is most likely displaying is
  - A. joy.
  - B. sadness.
  - C. anger.
  - D. nervousness.
7. Which of the following is a legitimate response for an employee to provide to a customer regarding an inquiry about product pricing:
  - A. I'm not sure what the pricing is.
  - B. If you can wait a moment, I'll check for the price in the computer.
  - C. You'll need to contact the appropriate person to get the price.
  - D. I'm pretty sure that the item costs \$39.65.
8. What is an important consideration when giving employees verbal directions for completing a task?
  - A. Employees usually ask questions when they are confused.
  - B. It is best to present information in reverse order.
  - C. Employees process information differently.
  - D. It is unnecessary to use demonstrations to support verbal content.
9. What does a group's leader do?
  - A. Makes sure the group members agree
  - B. Takes the meeting minutes
  - C. Puts the group on a certain course
  - D. Follows up with everyone
10. Effective note-taking involves summarizing key concepts in ways that
  - A. include personal opinion and bias.
  - B. reflect proper punctuation and grammar.
  - C. make sense to the speaker.
  - D. are meaningful to the note-taker.

11. Which of the following is a graphic aid that uses text to depict a sequence of events or the order of a process:
- A. Pie chart
  - B. Flowchart
  - C. Bar chart
  - D. Geographic map
12. Businesspeople need to use the correct words in written communication in order to make sure that the receiver \_\_\_\_\_ the message.
- A. agrees with
  - B. understands
  - C. accepts
  - D. approves of
13. Why is it important to use the appropriate writing style when developing research reports?
- A. Ensures the writer's objectivity
  - B. Enhances the writer's credibility
  - C. Allows the writer to express creativity
  - D. Reduces the need to edit the content
14. Before sending a professional e-mail message to a business associate, a businessperson should
- A. proofread the message for spelling and grammatical errors.
  - B. code the message's importance as "high priority."
  - C. make sure that the message is typed in capital letters.
  - D. insert a vague statement in the message subject line.
15. How should the information be presented when writing informational messages?
- A. In a nonspecific manner
  - B. In the shortest way possible
  - C. In a conversational way
  - D. In the order of importance
16. Which of the following is an example of informal workplace communication:
- A. Two coworkers share their opinions about a new work project during a coffee break.
  - B. The president of the Cantrell Corporation announces expansion plans in a press release.
  - C. A project manager develops a production schedule to distribute to the project team.
  - D. A human-resources manager conducts a training session for new employees.
17. When participating in staff meetings, business employees should be prepared to
- A. remain silent.
  - B. join in the discussion.
  - C. comment on every detail.
  - D. argue.
18. Many businesses establish guidelines to direct the interactions of employees with customers for the purpose of
- A. promoting good customer relations.
  - B. attracting new credit customers.
  - C. motivating the sales force.
  - D. increasing the level of gross margin.
19. Businesses whose employees demonstrate a customer-service mindset often benefit from
- A. increased costs.
  - B. reduced complaints.
  - C. rapid employee turnover.
  - D. decreased employee morale.
20. Which of the following is the first action an employee should take if s/he does not know the answer to a customer's inquiry:
- A. Try to answer the question anyway
  - B. Tell the customer to call the department supervisor
  - C. Direct the customer to the company's web site
  - D. Ask a coworker or supervisor

21. Tom works for a large investment company and is meeting with a wealthy entrepreneur from Argentina in a few weeks. Tom admits that he does not know much about Argentina's culture and customs. If you were Tom's coworker, what would be the most appropriate advice that you could give him?
- A. Learn about Argentina's culture from reputable sources and adapt his communication style so that he doesn't do something that will offend the client
  - B. Take an online course to learn French so Tom can fluently communicate with the client in his/her native language
  - C. Require the client to hire an interpreter to attend the meeting because this will reduce the risk of miscommunication
  - D. Tell him not to worry about language barriers and social differences because most Argentinians are familiar with the American customs
22. What type of customer may be haughty or overbearing to an employee?
- A. Suspicious
  - B. Slow/Methodical
  - C. Dishonest
  - D. Domineering/Superior
23. What is the first step employees should take in handling customer complaints?
- A. Determine the appropriate action to take
  - B. Restate the customer's complaint
  - C. Ask the customer for a solution
  - D. Listen to the customer
24. Goods and services that are purchased by producers for resale, to make other goods and services, and/or to use in operating a business are known as \_\_\_\_\_ goods and services.
- A. shopping
  - B. industrial
  - C. specialty
  - D. convenience
25. Why are resources considered limited?
- A. There are not enough available so that everyone can have as much of them as desired.
  - B. Entrepreneurs do not invest enough of them.
  - C. Everyone has them, and they change.
  - D. There are so many that people must decide which ones to choose at any one time.
26. A seller's market is characterized by
- A. large supply.
  - B. high demand.
  - C. low prices.
  - D. equilibrium price.
27. A local business is sponsoring a program to combat drug abuse in the local schools. This is an example of a business that is
- A. assisting with a fund-raiser.
  - B. filling consumer needs.
  - C. contributing to public interests.
  - D. teaching students marketing skills.
28. Those who are in favor of socialism believe that an important advantage of a socialist command economy is
- A. increased competition.
  - B. benefit programs.
  - C. higher profits.
  - D. lower taxes.
29. Which of the following is a technique that many businesses use to reward employees whose efficient work habits save money and increase profits:
- A. Rebates
  - B. Premiums
  - C. Quotas
  - D. Bonuses
30. Company A and Company B are both attempting to sell similar products to the same target market. Company A and Company B are engaged in
- A. task specialization.
  - B. competition.
  - C. consumption.
  - D. monopolistic activity.

31. Which of the following is not a way that government provides protection to business property:
- A. Providing insurance
  - B. Granting copyrights
  - C. Issuing trademarks
  - D. Issuing patents
32. A factor that can increase productivity is
- A. education.
  - B. population growth.
  - C. unskilled workers.
  - D. labor unions.
33. Demetrius decided it was time to stop feeling sorry for himself. He decided to imagine himself as having several desirable traits. Demetrius was practicing which of the following techniques:
- A. Self-esteem
  - B. Visualization
  - C. Self-concept
  - D. Affirmation
34. A business deciding to hire an older man rather than a young woman for a sales position even though both have similar qualifications might be an example of
- A. harassment.
  - B. discrimination.
  - C. team conflict.
  - D. remedial action.
35. Assessing personal strengths and weaknesses is a(n) \_\_\_\_\_ process.
- A. easy
  - B. ongoing
  - C. one-time
  - D. competitive
36. The term which refers to your ability to guide or direct the actions of others is
- A. dependability.
  - B. receptivity.
  - C. initiative.
  - D. leadership.
37. An enthusiastic outlook can improve your ability to \_\_\_\_\_ everyday problems.
- A. prevent
  - B. eliminate
  - C. cope with
  - D. avoid
38. Which of the following is a true statement regarding initiative:
- A. Possessing initiative is unimportant in business occupations.
  - B. Increased initiative usually brings increased job responsibility.
  - C. People with initiative must usually be prodded into doing things.
  - D. Initiative should be demonstrated only at your place of employment.
39. Employees who never discuss confidential or personal business information with other employees are demonstrating their
- A. ability to communicate.
  - B. honesty and integrity.
  - C. intelligence and initiative.
  - D. orderly and systematic behavior.
40. A manager who tells an employee, "Your understanding of our policies and of consumers' needs is quite commendable," is an example of
- A. negative feedback.
  - B. nonverbal communication.
  - C. upward communication.
  - D. positive feedback.
41. Persons who try to adapt their behavior effectively to a new set of circumstances are trying to
- A. be disruptive.
  - B. control life.
  - C. adjust to change.
  - D. be obedient.
42. When listening carefully to another person, it is important to
- A. continue what you were doing before the person started talking.
  - B. repeat everything that the person says to clarify meaning.
  - C. interrupt often to express your own opinion.
  - D. take note of both the person's words and body language.

43. One of the characteristics of effective communication is conciseness. A concise statement is one that
- A. presents only relevant information.
  - B. contains a great many adjectives.
  - C. would be described as wordy.
  - D. is as vague as possible.
44. It is important to use the right body language when you are being assertive because body language
- A. helps you to relax.
  - B. reinforces your message.
  - C. replaces nonverbal communication.
  - D. expresses that you are interested.
45. Our society has become more complex over time. This has prompted businesses to use teams in order to obtain more
- A. materials.
  - B. information.
  - C. time.
  - D. capital.
46. You're starting an animal shelter in your town. Which of the following should you do to determine the necessary resources for your vision:
- A. Determine only how much money you already have.
  - B. Determine only how much money you'll need next year.
  - C. Determine how much money you'll need for at least the next 20 years.
  - D. Determine how much money you have and how much you will need.
47. Juan wants to be the top salesperson in his company this year. What standard has he set for success?
- A. Outperforming others
  - B. Demonstrating leadership
  - C. Past performance
  - D. Trying something new
48. When leading change, it is important to realize that there will be some type of
- A. resistance.
  - B. ambiguity.
  - C. compromise.
  - D. negotiation.
49. Which of the following is a true statement about dealing with coworkers:
- A. Once you know your coworkers, you don't need to speak to them every day.
  - B. Coworkers need to establish personal friendships with each other.
  - C. The best way to learn about coworkers is to ask them personal questions.
  - D. Getting acquainted with coworkers helps you to treat them fairly.
50. Being enthusiastic about your job is an example of what type of behavior that builds positive working relationships?
- A. Demonstrating courtesy and respect
  - B. Getting to know others on your work team
  - C. Having a good attitude
  - D. Being cooperative
51. When using a debit card to pay for goods and services, the funds are electronically transferred from a(n)
- A. expense or interest account.
  - B. savings or checking account.
  - C. checking or credit account.
  - D. interest or savings account.
52. Businesses should help employees to prevent accidents and injuries by providing
- A. a comfortable lounge area.
  - B. a safe work environment.
  - C. attractive furnishings.
  - D. a convenient lunch room.
53. Which of the following is NOT a concept related to the time value of money:
- A. Interest rates
  - B. Opportunity cost
  - C. Scarcity
  - D. Future value
54. When the Silvers purchased their new car, the dealership representative sold their contract to another company in exchange for cash. To what type of business would the dealership have sold the Silvers' contract?
- A. Commercial bank
  - B. Savings and loan association
  - C. Finance company
  - D. Credit union

55. What is the co-signer of a bank loan legally responsible to pay if the borrower defaults on the loan?
- A. The principle amount owed only
  - B. The balance of the loan owed
  - C. The interest amount owed only
  - D. The original amount of the loan
56. Using a credit card is
- A. a good way to pay for impulsive purchases.
  - B. like getting a free loan if you pay the balance each month.
  - C. an inexpensive way to borrow money for an extended period.
  - D. a privilege reserved for working adults.
57. By developing a personal budget, individuals will be able to review their
- A. investment plans.
  - B. insurance policy coverage.
  - C. spending patterns.
  - D. bank statements.
58. Brad earns \$8.70 per hour as a delivery truck driver. If he works more than 40 hours during the regular Monday through Friday work week, he earns time and one-half for those extra hours. He earns double time when he works on holidays. Last week, Brad worked 11 hours on Monday, 8 hours on Tuesday, 9.5 hours on Wednesday, 9 hours on Thursday and Friday, and 5 hours on Saturday, which was a holiday. What were Brad's gross earnings last week?
- A. \$519.83
  - B. \$448.05
  - C. \$491.55
  - D. \$548.10
59. The following is written on the back of a check: "For deposit only; Maria Evans; Account #285655." This is an example of a(n) \_\_\_\_\_ endorsement.
- A. open
  - B. general
  - C. restrictive
  - D. congruent
60. When reconciling bank statements, it is important to consider
- A. checks that have not cleared.
  - B. the number of transactions.
  - C. services not available online.
  - D. the types of payroll deposits.
61. Individuals have the right to provide additional information about their income status and payment history when
- A. hiring a financial planner.
  - B. opening a checking account.
  - C. estimating their tax liability.
  - D. validating their credit history.
62. Which of the following could Lynn do to lower the risk of identity theft:
- A. Use secure web browsers when purchasing online
  - B. Share bank account information with others
  - C. Keep written records of all major cash purchases
  - D. Write account passwords in a personal planner
63. Patrick wants to keep a certain amount of his money in a safe place in which he can earn interest on his savings, and also be able to withdraw his funds without experiencing sizable financial penalties. In what type of financial institution should Patrick consider placing his money?
- A. A holding company
  - B. The stock market
  - C. A retirement fund
  - D. A retail bank
64. With an ownership investment, investors do which of the following:
- A. Pay for the right to own something
  - B. Buy a home to live in
  - C. Collect popular items
  - D. Invest in multiple corporations
65. What do managers use for financial planning purposes?
- A. Business policies
  - B. Accounting information
  - C. Operating standards
  - D. Production schedules

66. The first task in the HR management activity of staffing is
- A. recruiting.
  - B. screening and selecting applicants.
  - C. determining job descriptions.
  - D. determining need.
67. Channel 10 News recently aired a story about a local restaurant providing meals for the winter holidays to homeless people in the community. The news story is an example of
- A. publicity.
  - B. distribution.
  - C. pricing.
  - D. retailing.
68. You have been asked to quickly locate information comparing the number of home foreclosures in Arkansas in 2000 with those in 2010. Which of the following searches should yield the fastest, most relevant search results:
- A. "home foreclosures"; Arkansas; years: 2000 OR 2010
  - B. "home foreclosures in Arkansas in 2000 OR 2010"
  - C. Arkansas home foreclosures between 2000, 2010
  - D. "home foreclosures; Arkansas"; "2000 OR 2010"
69. Your web search results contain URLs from a variety of sources. Which of the following sources should provide the most reliable data:
- A. A personal blog
  - B. A term paper
  - C. A government agency
  - D. A Wikipedia site
70. One way money functions in society is that it helps people communicate a product's
- A. attributes.
  - B. income.
  - C. market.
  - D. value.
71. Computer database programs make it easier for businesses to manage
- A. large amounts of related data.
  - B. problem-solving skills.
  - C. Internet search engines.
  - D. customers' buying habits.
72. Which of the following is the primary computer-system tool used to input data:
- A. Hardware
  - B. Printer
  - C. Software
  - D. Keyboard
73. What aspect of a computer system acts as a go between for software and hardware applications?
- A. Operating system
  - B. Server
  - C. Hard drive
  - D. Application software
74. The two best ways to send a document by e-mail are by
- A. rekeying the document in the e-mail or by creating a hyperlink to the document.
  - B. rekeying the document as an e-mail or by sending a file attachment.
  - C. including it as a file attachment or by pasting it into the body of the e-mail.
  - D. creating a hyperlink to the document or by pasting it into the body of an e-mail.
75. One of the advantages of using word-processing software programs is that they usually contain a
- A. calculator.
  - B. spreadsheet.
  - C. flowchart.
  - D. dictionary.
76. What is the visual tool in presentation software that smoothly moves one slide into the next slide?
- A. Effects
  - B. Animation
  - C. Transition
  - D. Formatting
77. Businesses often use spreadsheet software programs to analyze their
- A. personnel records.
  - B. operating expenses.
  - C. technical reports.
  - D. advertising plans.



78. To streamline its information systems, the Mason Company wants to purchase a computer program that performs a variety of related functions, such as accounts payable, accounts receivable, and general ledger applications. The Mason Company should purchase a(n) \_\_\_\_\_ computer package.
- A. engineering design
  - B. marketing intelligence
  - C. integrated software
  - D. customer identification
79. A primary advantage to businesses that use groupware computer applications is that it can
- A. boost liability.
  - B. increase efficiency.
  - C. decrease output.
  - D. reduce competition.
80. Deciding how to transport goods is part of which operations activity?
- A. Safety and security
  - B. Scheduling
  - C. Logistics
  - D. Maintenance and repairs
81. One way a business can reduce the risk of accidents in the workplace is by providing its employees with
- A. electronic data interchange (EDI).
  - B. safety training.
  - C. supply manuals.
  - D. weight-loss programs.
82. Which of the following organizations should be contacted if a service business is not following health and safety regulations:
- A. Utilities commission
  - B. Local chamber of commerce
  - C. Government agency
  - D. Regional risk coalition
83. When new employees do not fully understand their company's procedures or safety rules, they should
- A. ask questions.
  - B. rely on their own common sense.
  - C. pretend that they do understand.
  - D. complain to their friends.
84. What do most businesses use to store information for future use?
- A. CD-ROMs
  - B. Display screens
  - C. Scanners
  - D. Computer systems
85. Electronic sensors, closed-circuit television, locked display cases, and security guards are security devices used to help businesses prevent
- A. pilferage.
  - B. shoplifting.
  - C. burglary.
  - D. fraud.
86. Comparing the prices offered by different vendors for the same goods and services is what part of the purchasing process?
- A. Receipt of goods
  - B. Price fixing
  - C. Invoice payment
  - D. Bid analysis
87. A reason that many companies update or alter existing products is to
- A. make them competitive with similar products.
  - B. be able to plan production quantities.
  - C. create new products to put on the market.
  - D. use a familiar production process.
88. Once you get organized, in order to stay that way you will probably have to
- A. work harder.
  - B. reorganize frequently.
  - C. change your habits.
  - D. have help.
89. John has worked toward achieving the career goal of retail merchandising assistant at the local discount store. John began working on the loading dock, was promoted to stockperson on the sales floor, and was transferred into retail sales 12 months later. John continued to apply for promotions and transfers within the store and eventually achieved his desired goal. John was demonstrating the ability to
- A. persevere.
  - B. set short-term goals.
  - C. write vague goals.
  - D. lower his self-esteem.

90. Cameron's parents are divorcing, and the situation is really stressing him out. This is an example of a \_\_\_\_\_ problem.
- A. peer
  - B. personal
  - C. work
  - D. school
91. An individual who is able to learn a skill easily and to perform it well would be described as having a(n) \_\_\_\_\_ for that skill.
- A. application
  - B. reason
  - C. need
  - D. aptitude
92. An employee who is continually teased and made fun of by a supervisor is a victim of \_\_\_\_\_.
- A. partiality.
  - B. intolerance.
  - C. harassment.
  - D. criticism.
93. One of the advantages of discussing career opportunities with employees in specific fields is that you often obtain information about \_\_\_\_\_.
- A. job requirements.
  - B. referral programs.
  - C. placement services.
  - D. industry statistics.
94. Bo's job is to choose and buy clothing for a retail store. His career is in the area of \_\_\_\_\_.
- A. marketing research.
  - B. professional selling.
  - C. merchandising.
  - D. corporate/general management.
95. Successful entrepreneurs enjoy their work and often start their businesses so that they can share their interests and enthusiasm with others. In other words, successful entrepreneurs have \_\_\_\_\_ what they do.
- A. concerns about
  - B. passion for
  - C. apathy for
  - D. reservations about
96. What question is often asked in the work experience section of an employment application?
- A. Reason for leaving previous job
  - B. Eligibility to work in this country
  - C. Course of study completed
  - D. When available to begin work
97. Which of the following is an example of an appropriate attitude for a job applicant to have about a job interview:
- A. I can do any job that I'm asked to do.
  - B. I have skills that this company could use.
  - C. I think this company would be lucky to get me.
  - D. I know all about this company and its products.
98. A job applicant who writes to a business that is advertising positions available may include in the letter an offer to telephone the business at a certain time in order to \_\_\_\_\_.
- A. discuss salary and benefits.
  - B. provide personal information.
  - C. schedule an interview.
  - D. ask questions about the company.
99. Serving as a volunteer in a specific industry or for a business-related organization is one way that individuals might obtain \_\_\_\_\_.
- A. guidance counseling.
  - B. monetary compensation.
  - C. technical training.
  - D. work experience.
100. As president of her large company, which should be Sandra's first priority?
- A. Hiring
  - B. Coaching
  - C. Planning
  - D. Producing