1. What is the definition of macroeconomics?
   a. changes in resource availability in the marketplace
   b. the economy as a whole by looking at aggregate data
   c. the activities of individual companies and products
   d. the supply and demand of individual households

2. Which of the following is the most basic measure of economic growth?
   a. consumer price index
   b. producer price index
   c. gross domestic product
   d. total of all goods and services produced

3. What are patterns of expansion and contraction in aggregate economic activity, as measured by GDP?
   a. business standards
   b. cyclical adjustments
   c. economic yields
   d. business cycles

4. On PEI, jobs are plentiful during the summer months, but difficult to find in September once the tourists leave and many restaurants and inns close. People who work in the island’s restaurants annually become unemployed in which way?
   a. structurally
   b. geographically
   c. frictionally
   d. seasonally

5. To examine how the sectors of the economy interact, you should think in terms of which of the following figures?
   a. diamond shape
   b. linear graph
   c. economic hierarchy
   d. circular flow

6. Which of the following measures prices paid by producers and wholesalers for commodities, including raw materials and finished products?
   a. wholesale cost index
   b. producer price index
   c. GDP index
   d. raw material price index

7. An industry in which a few firms produce most or all of the output of a product and in which large amounts of capital are needed known as which of the following?
   a. perfect competition
   b. monopolistic competition
   c. an oligopoly
   d. imperfect competition

8. Southern Ontario farmers have found it difficult to go into olive farming because olives imported from Europe are priced so much cheaper. Canadian farmers have to meet various climate challenges to grow olives and thus have higher expenses. Consumers prefer to buy the lower-priced imported olives rather than locally grown olives. The problems that make it unprofitable for an Ontario farmer to profitably become an olive farmer would be considered which of the following?
   a. a purchasing power equalizer
   b. a market contractionary tool
   c. an oligopolistic tool
   d. a barrier to entry

9. The experience curve, whereby production costs per unit drop by 20-30% for each doubling of production, was discovered by which company making what product?
   a. Dodge Caravan
   b. Boling 707 airliner
   c. Bic ballpoint pen
   d. Sony Walkman CD player

10. Bombardier sells trains to European countries. To the European countries, these trains are an example of which of the following?
    a. imports
    b. countertrades
    c. intangibles
    d. Exports
11. In 2009, Argentina exported $25.3 billion and imported products valued at $9 billion. Argentina exhibited which of the following?
   a. a positive balance of payment
   b. a negative trade deficit
   c. a favourable balance of trade
   d. a negative balance of trade

12. China imposes a 45 percent tax on the market value of all chickens that are imported from other countries into China. What would be another name for this type of tax?
   a. a tariff
   b. a quota system
   c. a subsidy
   d. an embargo

13. Which of the following statements about the interaction of demand and supply is most accurate?
   a. At prices above equilibrium, suppliers produce less than consumers are willing to buy
   b. Government intervention is usually needed to achieve market equilibrium
   c. A surplus of product pushes prices upward
   d. At prices below equilibrium, demand exceeds supply

14. The World Trade Organization (WTO) is best described by which one of the following?
   a. It includes all of the countries that signed the Uruguay Round.
   b. It is controlled by the United States.
   c. It has emerged as the world’s most powerful institution for reducing trade barriers and opening markets.
   d. It is in control of world-wide anti-dumping laws

15. When ViaRail started to offer packaged skiing vacations as well as train travel to holiday resorts such as Banff, it was engaged in .....?
   a. concentric diversification
   b. horizontal integration
   c. backward vertical integration
   d. forward vertical integration

16. U.S. plane manufacturer McDonnell-Douglas has authorized Mitsubishi Heavy Industries, a Japanese company, to use its trademarks, patents, and other proprietary knowledge to manufacture F-15 fighter planes. Mitsubishi Heavy Industries pays McDonnell-Douglas. This is an example of which of the following activities?
   a. contract manufacturing
   b. licensing
   c. importing
   d. franchising

17. Which of the following represents the total amount of money that flows into and out of a country?
   a. the balance of trade
   b. the balance of payments
   c. the federal deficit
   d. the balance of exchange

18. Which of the following is a form of trading arrangement in which part or all of the payment for purchased goods or services is in the form of other goods and services?
   a. a countertrade
   b. a counteroffer
   c. a nonfinancial exchange
   d. a counteraction

19. Which of the following products has the most inelastic demand curve?
   a. bread
   b. iPads
   c. gin
   d. easter eggs

20. Which of the following is the sense of national consciousness that boosts the culture and interests of one country over those of all other countries?
   a. multinationalism
   b. unionism
   c. federalism
   d. nationalism

21. Baby boomers were born in the period from the late 1940s to the mid-1960s. This group is best characterized by which of the following?
   a. They are committed to the idea of building up their personal savings.
   b. They created a strong ethic of volunteerism for themselves.
   c. They value travel and independence more than the other groups.
   d. They experienced post-war affluence that influenced the importance of material goods and improvement of social status.

22. Which of the following is a philosophy that focuses on the consequences of an action to determine if it is right or wrong? This philosophy expresses the idea that anything that negatively affects the majority of people in a situation is morally wrong.
   a. utilitarianism
   b. social responsibility
   c. preconventional morality
   d. distributive justice
23. Which of the following best reflects the Canadian Charter of Rights and Freedoms?
   a. It is effective for those working for federally incorporated companies.
   b. It is superordinate to any other laws that affect Canadians’ rights and freedoms.
   c. It applies only to employer–employee situations.
   d. It relates to what is considered fair by prevailing standards of society.

24. The Toronto District School Board has established an employee assistance program for its employees. This program helps employees deal with personal issues such as daycare, elder care, substance abuse, financial difficulties, and the need for marital and personal counseling. The school board as an employer is practising which of the following?
   a. social responsibility
   b. employee services
   c. stakeholder satisfaction
   d. macroeconomics

25. Automatic vehicle speed control via GPS systems would save many lives. But most people do not want their freedom to exceed the speed limit to be taken away. This is an example of ________ ethical reasoning trumping ________ ethical reasoning.
   a. justice: rights
   b. pre-conventional: justice
   c. conventional: social contract
   d. rights: utilitarian

26. Which stage of ethical development is most likely to be seen in mature adults?
   a. ego-centered
   b. postconventional
   c. conventional
   d. preconventional

27. A company has achieved which level of responsibility when it has met its ethical, legal, and economic responsibilities?
   a. global
   b. altruistic
   c. societal
   d. philanthropic

28. The employees, the wood suppliers, the customers, and the government inspectors in a company that manufactures fine wooden office furniture are described as being which of the following?
   a. partners
   b. shareholders
   c. investors
   d. stakeholders

29. The base of the corporate social responsibility pyramid is represented by which of the following?
   a. responsibilities to stakeholders
   b. economic responsibility
   c. legal responsibility
   d. philanthropic responsibility

30. Which of the following contribute to and benefit from information used in performing various tasks including acquiring, searching, analyzing, organizing, storing, programming, producing, distributing, marketing, or selling functions?
   a. information technicians
   b. knowledge workers
   c. knowledge shareholders
   d. information monitors

31. A group of two or more computer systems linked together by communications channels to share data and information are called which of the following?
   a. a combination
   b. a network
   c. a database
   d. a mainframe

32. Which of the following is an internal website that provides proprietary corporate information to a defined user group?
   a. an enterprise portal
   b. a work station
   c. a virtual network
   d. an internal network

33. In a medical clinic, which of the following would contain the medical records of the people who received treatment?
   a. a database
   b. a spreadsheet
   c. a customer relational network
   d. an information processing network

34. Which of the following type of information systems handles the daily business operations?
   a. an executive information system
   b. a transaction processing system
   c. a word processing system
   d. a management analytic system

35. Which of the following are examples of wide area networks (WANs)?
   a. functional and hierarchical networks
   b. functional and process networks
   c. hierarchical and matrix networks
   d. extranets and intranets
36. General Electric saves $1.6 billion per year by using its private corporate network that links its 340,000 employees and operates behind a firewall. What is the network called?
   a. an intranet
   b. a specialized network
   c. an extranet
   d. a functional network

37. A good technology plan provides employees with the tools they need to perform their jobs at the highest levels of efficiency. What is the first step in developing a good technology plan?
   a. a situational analysis
   b. brainstorming
   c. a general needs assessment
   d. the establishment of rules and regulations

38. What is the name of the network that links General Electric’s 340,000 employees and operates behind a firewall?
   a. an intranet
   b. a specialized network
   c. an extranet
   d. a functional network

39. Pete Yankin and Ken Lowery established a company that markets fishing expeditions. Yankin and Lowery share responsibilities for booking the trips, gathering supplies, and guiding groups into locations where they can fish for salmon. Since the two share any profit equally, what sort of business do they have?
   a. a sole partnership
   b. a general partnership
   c. a limited cooperative
   d. a general cooperative

40. Karl Metzger plans to invest $5,000 in a partnership with his brother to produce and sell handcrafted violins, zithers, and other string instruments. Metzger does not plan to work in the business and wants no more liability than his investment. What should he be?
   a. a limited partner
   b. a general partner
   c. a joint partner
   d. a temporary partner

41. What type of liability means that business damages and/or debts can also be attached to the personal assets of the owners?
   a. informal liability
   b. limited liability
   c. unlimited liability
   d. funding liability

42. The franchisor generally does NOT provide the franchisee with which of the following?
   a. assistance in site selection
   b. wholesale prices on supplies
   c. use of company name and logo
   d. help in employee selection

43. North American Van Lines and Allied Van Lines merged to create the world’s largest moving company. Prior to the merger, North American was the leading company in moving high-end merchandise such as computer and hospital equipment, while Allied specialized in households. What type of merger is this?
   a. a vertical merger
   b. a horizontal merger
   c. a conglomerate
   d. a limited-time partnership

44. David Dworkin is the founder and owner of Swoozie’s, a chain of stores that carry eclectic lines of wrapping paper, stationery, invitations, and gifts for affluent women. He opened the business with his own money and that of investors who saw profit potential in his idea. Dworkin is an example of which of the following?
   a. a franchisor
   b. a venture capitalist
   c. a franchisee
   d. an entrepreneur

45. Pim Bouwman quit his lucrative job as an consultant to start a retail website that specializes in Dutch tulip bulbs. To fund his website, he borrowed money from his friends and relatives. In other words, he used which type of financing?
   a. venture
   b. liquid
   c. debt
   d. equity

46. Which of the following BEST describes angel investors?
   a. They provide funding for start-up businesses.
   b. They are bank loan officers who are responsible for funding start-up businesses.
   c. They are most interested in investing in businesses that are well established.
   d. They provide equity financing to a business by loaning the business money at a low interest rate.
47. In buying an existing business, the prospective buyer should ask questions about the operation of the business. Which of the following would be the most appropriate question to ask?
   a. How are you going to use the money you receive for the business?
   b. Are any of the employees creating problems?
   c. Who loaned you the initial investment?
   d. Are there any problems with the business?

48. What is a disadvantage of franchising to the franchisee?
   a. national name recognition
   b. restricted operating freedom
   c. assistance in site location
   d. ongoing management training program

49. Which type of business organization experiences the least governmental regulation?
   a. a limited partnership
   b. a public corporation
   c. a private corporation
   d. a sole proprietorship

50. Double taxation in a corporation is **BEST** described by which of the following?
   a. Corporations must pay both provincial and federal taxes.
   b. Corporations can double their earnings without higher taxes.
   c. The corporation must pay taxes twice a year.
   d. Earnings of the corporation and dividends of the shareholders both are taxed.

51. Which of the following are corporate takeovers financed by large amounts of borrowed money?
   a. liquidity corporations
   b. financed mergers
   c. debt acquisitions
   d. leveraged buyouts

52. What is one way to ease the burden of managing a business?
   a. Operate the business 20 hours a week.
   b. Hire outside consultants.
   c. Do all the work yourself and hire no employees.
   d. Keep minimal inventory on hand.

53. The purchase and subsequent takeover of Marks Work Warehouse, by Canadian Tire, is an example of which of the following?
   a. a merger
   b. an acquisition
   c. a voluntary union
   d. a joint venture

54. A clothing wholesaler buys most of its inventory from manufacturers in the Caribbean. In the event a hurricane demolishes the manufacturing facility of one of its principal suppliers, the company should have which of the following?
   a. functionally oriented planning
   b. supply-demand planning
   c. hierarchical planning
   d. contingency planning

55. Most firms have three distinguishable levels of management. What are they?
   a. functional, middle, and staff
   b. supervisory, middle, and top
   c. operational, supervisory, and top
   d. low, middle, and chief

56. Which of the following is one of the five key types of power?
   a. connection power
   b. financial power
   c. **referent power**
   d. influential power

57. Resa Patel gave her subordinate, Craig Milan, a substantial bonus for closing a $10 million sale. Patel was using which type of power?
   a. reward
   b. legitimate
   c. influential
   d. connection

58. If a customer at a Zeller’s store brings a purchase to checkout, and the item is not priced, the clerk at the register can ask the customer what the price is. If the price is $25 or less, the clerk does not have to do a price check. The clerk has been given the authority to trust the customer to have quoted the correct price. Which of the following is illustrated by this sort of discretionary power?
   a. responsibility
   b. laissez-faire
   c. **empowerment**
   d. indoctrination

59. What is the first step in controlling?
   a. explaining the meaning of goals
   b. monitoring goals
   c. establishing performance standards
   d. taking corrective action
60. What is the ability to view an organization as a whole, to understand how the various parts fit together, and how it relates to other organizations?
   a. tactical skill       c. organizational skill
   b. conceptual skill    d. strategic skill

61. Allocation of resources, approval of projects, and authorization of budgets are all activities that a manager performs in which of the following management roles?
   a. functional            c. coordinating
   b. decisional           d. interpersonal

62. Which of the following is the practice of giving a great deal of authority and decision-making freedom to lower-level managers?
   a. Centralization    c. Autonomy
   b. Decentralization d. Functionalization

63. An organic organization has which of the following characteristics?
   a. loose departmentalization
   b. a relatively high degree of job specialization
   c. narrow spans of control
   d. centralized decision making

64. Which of the following is designed with direct, clear lines of authority and communication flowing from the top managers downward?
   a. a line organization
c. a staff organization
   b. a functional organization
   d. a matrix organization

65. A structure in which authority and responsibility are held by a group of workers rather than a single manager is called which of the following structures?
   a. subordinated
   b. committee
   c. matrix
   d. functional

66. What is one of the advantages of work group cohesiveness?
   a. the absence of resistance to change
   b. the absence of conflict with other work groups
   c. formalized group norms
   d. reduced employee turnover

67. What is a team made up of employees from about the same hierarchical level, but different functional areas of an organization?
   a. a horizontally organized team
   b. a problem-solving team
c. a vertically organized team
   d. a cross functional team

68. Hugh Larrimore, Wilson Knight, and Frieda Perez have worked together for 12 years. They always clock in and clock out together. If one of the threesome happens to be late, the others will wait for him or her. This commonly accepted behaviour for this informal group is called which of the following?
   a. organizational policy
   b. self-mandated regulation
c. work procedure
   d. group norm

69. What are the day-to-day relationships that develop in an organization but are not listed on an organization chart?
   a. the informal organization
   b. the casual organization
c. the hierarchical organization
   d. the grapevine organization

70. In a desperate attempt to try to make you recall something about this course some 10 years after you graduate, the Professor in this class wears:
   a. a different bow-tie every day
   b. mismatched socks
c. the same bow-tie every day
   d. inelastic underwear

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