

TEST BANK

MANAGEMENT

FOURTEENTH EDITION

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TEST BANK For Management, 14th Edition by US Edition John Schermernhorn, Daniel, Bachrach

Ch01: Introducing Management

True/False

1. Intellectual capital is a personal asset for individuals.

Answer: True

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

2. Commitment represents one's talents or job-relevant capabilities.

Answer: False

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

3. A knowledge worker is a person whose physical capabilities are the most critical assets.

Answer: False

Learning Objective: 1.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

4. Tech IQ is the ability to use technology and commitment to stay informed about the latest technological developments.

Answer: True

Learning Objective: 1.1

Difficulty: Easy

AACSB: Information technology

Bloom's Taxonomy: Knowledge

5. National boundaries hardly count anymore in the world of business.

37. In a fresh juice manufacturing plant, the production team manufactures 2,000 bottles of juice per day while the sales team sells only 1,700 bottles per day. Since the product is perishable, the extra output incurs losses to the company. Hence, the manager intervenes and sets a common standard for both the teams. Which of the following management duties is the manager performing?
- A. Control
 - B. Foresight
 - C. Coordination
 - D. Organization
 - E. Command

Answer: C

Learning Objective: 2.1

Difficulty: Hard

AACSB: Application of Knowledge

Bloom's Taxonomy: Application

38. _____ is to make sure things happen according to plan and to take necessary corrective action.
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: E

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

39. A manager employs five workers to produce a total of 36 units of a product per day. He soon realizes that the workers are able to produce only 30 units a day. He then employs an additional worker to meet the set target. Which of the following duties of management is he performing while taking the corrective action?
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: E

Learning Objective: 2.1

Difficulty: Hard

AACSB: Application of Knowledge

Bloom's Taxonomy: Application

Bloom's Taxonomy: Knowledge

75. Issue urgency:
- A. indicates the extent to which the stakeholder's concerns need immediate attention.
 - B. refers to the managers' ability to maximize profits.
 - C. refers to the shareholders' ability to maximize profits.
 - D. refer to the capacity of the stakeholder to positively or negatively affect the stakes of the organization.
 - E. indicates the validity and legitimacy of a stakeholder's interest in the organization.

Answer: A

Learning Objective: 3.4

Difficulty: Easy

AACSB: Ethical understanding and reasoning

Bloom's Taxonomy: Knowledge

76. According to the classical view of CSR, the principal obligation of management should be to ____.
- A. suppliers
 - B. owners
 - C. consumers
 - D. future generations
 - E. the state or local government

Answer: B

Learning Objective: 3.4

Difficulty: Easy

AACSB: Ethical understanding and reasoning

Bloom's Taxonomy: Knowledge

77. According to proponents of the classical view of CSR, what drives businesses to make things like healthier foods and energy-efficient products?
- A. The government
 - B. Profitability
 - C. Owners and shareholders
 - D. A sense of indebtedness to society
 - E. Pressure from civil society

Answer: B

Learning Objective: 3.4

Difficulty: Moderate

AACSB: Ethical understanding and reasoning

Bloom's Taxonomy: Comprehension

AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

103. Black Corporation focuses on providing maximum support to its employees as it considers them its most important organizational stakeholders. The firm has a system of flexible working hours to reduce the stress of employees and zero-day notice periods. It permits employees to work from home through its virtual network. From this information, it can be inferred that Black Corporation:
- A. has a high rate of sustainable innovation.
 - B. focuses on the differences of generational cohorts.
 - C. highlights the importance of the triple bottom line.
 - D. has a high rate of human sustainability.
 - E. focusses on the ideals of environmental capital.

Answer: D

Learning Objective: 4.4

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

104. In a country, the web access through mobile devices doubled each year since 2009 and during 2010, on an average, 2 million people used Facebook each day. Which of the following environmental condition does this information portray?
- A. Economic condition
 - B. Legal-political condition
 - C. Natural condition
 - D. Socio-cultural condition
 - E. Technological condition

Answer: E

Learning Objective: 4.1

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

105. The government of Klayoland introduces a new program whereby it initiated all its business enterprises to adopt "green values", and minimize and recycle its waste disposal. Which of the following conditions has the government taken care of by this decision?

A. Economic

Answer: Some common market-entry strategies that help companies go global are global sourcing; exporting and importing; and licensing and franchising.

A common first step into international business is global sourcing—the process of purchasing materials, manufacturing components, or locating business services around the world.

A second form of international business involves exporting—selling locally made products in foreign markets. The flipside of exporting is importing—buying foreign-made products and selling them in domestic markets.

Another form of international business is the licensing agreement where foreign firms pay a fee for rights to make or sell another company's products in a specified region. Franchising is a form of licensing in which a foreign firm buys the rights to use another's name and operating methods in its home country.

Learning Objective: 5.1

Difficulty: Moderate

AACSB: Diverse and multicultural work environments

Bloom's Taxonomy: Knowledge

124. Define culture. Explain the importance of cultural intelligence.

Answer: Culture is a shared set of beliefs, values, and patterns of behavior common to a group of people. People with cultural intelligence, or the ability to accept and adapt to new cultures, are flexible in dealing with cultural differences and willing to learn from what is unfamiliar. They use that learning to self-regulate and modify their behaviors to act with sensitivity toward another culture's ways. In other words, someone high in cultural intelligence views cultural differences not as threats but as learning opportunities.

Learning Objective: 5.3

Difficulty: Moderate

AACSB: Diverse and multicultural work environments

Bloom's Taxonomy: Knowledge

125. Distinguish between tight and loose cultures. Provide examples.

Answer: In a tight culture, such as ones found in Malaysia, Korea, or Japan, people guide their behavior according to expectations set by very clear social norms. They try to conform to these norms, understanding that any deviation will be noticed and discouraged and not be tolerated. The goal is to fit in and not stand out. On the other hand, in a loose culture, such as Hungary, Brazil, or Australia, people show general or mixed concern for social norms, and these norms may be broad and ambiguous. Conformity is mixed; deviations from norms tend to be tolerated unless they reach criminal territory or the extremes of morality.

Learning Objective: 5.3

Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

281. A(n) ____ is a new and temporary venture that is trying to discover a profitable business model for future success.

Answer: startup, start up
Learning Objective: 6.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

282. Lean startups use resources like open-source software, while containing costs, staying small, and keeping operations as _____ as possible.

Answer: simple
Learning Objective: 6.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

283. A family business ____ occurs when family members have major disagreements over how the business should be run.

Answer: feud
Learning Objective: 6.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

284. A ____ plan describes how the leadership transition and related financial matters will be handled.

Answer: succession
Learning Objective: 6.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

145. _____ commitment is the continuation of a course of action even though it is not working.

Answer: Escalating

Learning Objective: 7.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

146. Little-C creativity occurs when _____ people come up with unique ways to deal with daily events and situations.

Answer: average

Learning Objective: 7.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

147. Design _____ unlocks creativity in decision making through a process of experiencing, ideation, and prototyping.

Answer: thinking

Learning Objective: 7.4

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

Chapter 08: Planning Processes and Techniques

True/False

1. The management process involves planning, organizing, leading, and controlling the use of resources to achieve performance objectives.

Answer: True

Learning Objective: 8.1

Bloom's Taxonomy: Comprehension

16. The Pareto Principle states that 20% of consequences come from 80% of causes.

Answer: False

Learning Objective: 9.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

17. The Pareto Principle states that 80% of the real impact comes from 20% of the work accomplished.

Answer: True

Learning Objective: 9.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

18. Output standards measure work efforts that go into performing a task.

Answer: False

Learning Objective: 9.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

19. Earnings per share, sales growth, and market share are the input standards used by businesses.

Answer: False

Learning Objective: 9.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

20. Quality of production and error rates are output standards used by businesses

- F. It is the ability to outperform rivals in ways that are difficult or costly to imitate.
- G. It is the ability to formulate technology to gain market exposure.
- H. It is the ability to focus organizational energies on a unifying and compelling goal.
- I. It is the ability to formulate strategies efficiently to accomplish long-term goals.
- J. It is the ability to identify the setbacks in the organizational procedure and work towards correcting them.

Answer: A

Learning Objective: 10.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

173. Which of the following best describes a strategy?

- A. It is a comprehensive plan guiding resource allocation to achieve long-term organization goals.
- B. It is the same as the mission of the organization.
- C. It is the document expressing the organization's reason for existence in society.
- D. It is the predominant value system of the organization as a whole.
- E. It is a special strength that gives an organization a competitive advantage.

Answer: A

Learning Objective: 10.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

174. A _____ strategy typically sets long-term direction for the total enterprise.

- A. branding
- B. business
- C. corporate
- D. functional
- E. marketing

Answer: C

Learning Objective: 10.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

35. Which of the following asks people to identify others to whom they turn for help most often, with whom they communicate regularly, and who gives them energy and motivation?
- A. Social network analysis
 - B. Formal structures
 - C. Forces analysis
 - D. SWOT analysis
 - E. Four corners model

Answer: A

Learning Objective: 11.1

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

36. Which of the following is a disadvantage of informal structures?
- A. They are characterized by too many vertical layers of management.
 - B. They are typified by the presence of complex formal communication flows.
 - C. They have very centralized systems that restrict employee freedom.
 - D. They are characterized by the existence of ~~in~~ "in" and ~~out~~ "out" groups.
 - E. They discourage informal learning as people work and interact together throughout the workday.

Answer: D

Learning Objective: 11.1

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

37. A _____ structure groups together people with similar skills who perform similar tasks.
- A. product
 - B. divisional
 - C. geographical
 - D. customer
 - E. functional

343. In multicultural organizations, informal network integration implies that:
- F. diversity does not lead to destructive conflicts between members of majority and minority cultures.
 - G. a variety of training and task-force activities address the need to eliminate culture-group biases.
 - H. members of both minority cultures and majority cultures are influential in setting key values and policies.
 - I. various forms of mentoring and support groups assist in the career development of minority-culture members.
 - J. minority-culture members are well represented in jobs at all levels and in all functional responsibilities.

Answer: D

Learning Objective: 12.2

Difficulty: Easy

AACSB: Diverse and multicultural work environments

Bloom's Taxonomy: Knowledge

344. At the corporate office in Texas, expatriates have been assigned mentors who guide them on new projects. The mentors familiarize the expatriates with American culture and ways of doing business. Which of the characteristics of multiculturalism is evident here?
- F. Structural integration
 - G. Pluralistic differentiation
 - H. Informal network integration
 - I. Absence of prejudice and discrimination
 - J. Minimum intergroup conflict

Answer: C

Learning Objective: 12.2

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

345. Kidz-Candies Inc. is famous for its candies with international flavors such as –Tuscan-blue,” –straw-berry.” The company has experts from across the globe who develop new flavors from their country of origin. This has resulted in influence of various cultures on policies of the company. In the context of multicultural organizations, this is an example of ____.
- F. structural integration
 - G. pluralism
 - H. informal network integration

58. Title VII of the Civil Rights Act of 1964 prohibits discrimination in all aspects of employment based on ____.
- A. education
 - B. national origin
 - C. age
 - D. pregnancy
 - E. family matters

Answer: B

Learning Objective: 13.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

59. The Age Discrimination in Employment Act of 1967 prohibits discrimination against persons over ____.
- A. 20
 - B. 30
 - C. 40
 - D. 50
 - E. 60

Answer: C

Learning Objective: 13.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

60. Which of the following is true of the Age Discrimination in Employment Act (ADEA)?
- a. It allows employees to lie about their age to their employers.
 - b. It does not outlaw discrimination in hiring and promotion.
 - c. It requires employers to provide specialized accommodations for aged employees.
 - d. It allows statements in job notices or advertisements of age preference and limitations.
 - e. It restricts mandatory retirement ages in most employment sectors.

Answer: E

Learning Objective: 13.1

Learning Objective: 14.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

185. Which of the following accurately defines reward power?

- F. It is the capacity to offer something of value as a means of influencing other people.
- G. It is the capacity to punish or withhold positive outcomes as a means of influencing other people.
- H. It is the capacity to influence other people by virtue of formal authority, or the rights of office.
- I. It is the capacity to influence other people because of specialized knowledge.
- J. It is the capacity to influence other people by personally identifying with them.

Answer: A

Learning Objective: 14.1

Difficulty: Moderate

AACSB: Ethical understanding and reasoning

Bloom's Taxonomy: Comprehension

186. Coercive power is the capacity to:

- A. offer something of value as a means of influencing other people.
- B. influence other people by virtue of formal authority, or the rights of office.
- C. punish or withhold positive outcomes as a means of influencing other people.
- D. influence other people because of specialized knowledge.
- E. influence other people by personally identifying with them.

Answer: C

Learning Objective: 14.1

Difficulty: Moderate

AACSB: Ethical understanding and reasoning

Bloom's Taxonomy: Comprehension

187. Identify the definition of legitimate power from the following.

- A. It is the capacity to influence other people using specialized knowledge.
- B. It is the capacity to influence other people by personally identifying with them.
- C. It is the capacity to offer something of value as a means of influencing other people.

AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

42. Jason's performance at work was declining as he had to meet unrealistic targets daily. Though he was able to meet his targets, the quality of his work was not very good. His supervisor assumed that this was due to a lack of concentration and laziness. This scenario is an instance of a _____.
A. stereotyping error
B. halo effect
C. fundamental attribution error
D. projection error
E. self-serving bias

Answer: C

Learning Objective: 15.1

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

43. Which of the following occurs when attributes commonly associated with a group are assigned to an individual?
A. Fundamental attribution error
B. Psychological contract
C. Selective perception
D. Self-serving bias
E. Stereotype

Answer: E

Learning Objective: 15.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

44. Karen, the manager of a research organization, believes that women avoid arithmetic and statistics, whereas men prefer such topics. This assumption made by Karen is an example of a _____.
A. stereotype
B. self-serving bias
C. projection
D. fundamental attribution error

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

178. The _____ states that a satisfied need is not a motivator of behavior.

- A. expectancy theory
- B. progression principle
- C. self-efficacy theory
- D. deficit principle
- E. frustration-regression principle

Answer: D

Learning Objective: 16.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

179. The _____ states that a need does not become activated until the next-lower-level need is already satisfied.

- A. expectancy theory
- B. deficit principle
- C. self-efficacy theory
- D. frustration-regression principle
- E. progression principle

Answer: E

Learning Objective: 16.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

180. _____ satisfies the self-actualization needs.

- A. Praise and recognition from boss
- B. Participation in decision making
- C. Safe working conditions
- D. Promotion to higher status job
- E. Pleasant supervisor

Answer: B

Learning Objective: 16.1

- C. It is the process by which managers create positive relationships with people who can help advance agendas.
- D. It is the process by which people actively work together to accomplish common goals.
- E. It is the tendency of some people to display negative attitudes toward members of diverse populations.

Answer: A

Learning Objective: 17.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

331. Which of the following is a drawback closely associated with teamwork?

- A. Functional chimneys problem
- B. Glass ceiling effect
- C. Social loafing
- D. Ecological fallacy
- E. Absence of a sense of security

Answer: C

Learning Objective: 17.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

332. The market research department, audit unit, and customer service team of a company are examples of a(n) _____ group.

- A. formal
- B. informal
- C. support
- D. grassroots
- E. interest

Answer: A

Learning Objective: 17.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

Bloom's Taxonomy: Knowledge

198. _____ is the process of helping the source of a message say what he or she really means.
- A. Communication transparency
 - B. Information filtering
 - C. Active listening
 - D. Proxemics
 - E. Open book management

Answer: C

Learning Objective: 18.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

199. Mark asks his colleague Steve, "Don't you think politicians should be elected solely based on merits?" Steve responds, "It seems to you that they should, I take it?" This is an example of _____.
- A. communication transparency
 - B. active listening
 - C. a mixed message
 - D. information filtering
 - E. communication noise

Answer: B

Learning Objective: 18.2

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

200. Which of the following would most likely be the response of an active listener?
- A. "I don't think you are right."
 - B. "You are not allowed to make such accusations."
 - C. "You are displeased with the management's decision, aren't you?"
 - D. "May the best candidate be promoted!"
 - E. "I'm not very sure you would be the suitable candidate."

Answer: C

Learning Objective: 18.2

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

201. _____ involves being sincere and trying to find out the full meaning of what is being said.
- A. Information overloading
 - B. Communication filtering