Management Decision Making

1) The correct sequence in which a manager should accomplish the four basic management functions is:
   a. dependent on the prevailing circumstances
   b. organizing, planning, leading controlling
   c. leading, controlling, organizing, planning
   d. planning, organizing, leading, controlling

   Competency: Management functions and environment

2) Which of the following is not a disadvantage of a corporation?
   a. tax consequence
   b. paperwork - annual reports and tax forms must be completed
   c. limited liability
   d. fees for tax preparation, incorporation, etc.

   Competency: Business ownership and the law

3) A group discussion technique that is used to generate as many ideas as possible for solving a problem is called:
   a. census building
   b. nominal technique
   c. brain writing
   d. brainstorming

   Competency: Information and communication systems

4) ____ explore(s) the consequences of specific choices using computer software.
   a. TQM
   b. External research
   c. Internal research
   d. What-if questions

   Competency: Information and communication systems
5) ________ is based on information gathered during formulation of the organization's strategic plan.
   a. Strategic evaluation
   b. Strategic analysis
   c. Strategic formulation
   d. Strategic implementation

**Competency:** Strategic management

6) Based on her observations, Maria decides to analyze the workers' overall tasks and then select and train workers for specific parts of the job so as to increase workers' productivity. Maria is applying the principles of:
   a. scientific management
   b. contingency theory
   c. organizational behavior
   d. management science

**Competency:** Human Resource management

7) For most organizations, members of local community groups, the media, and consumer groups are all considered to be:
   a. primary stakeholders
   b. secondary stakeholders
   c. quasi stakeholders
   d. tertiary stakeholders

**Competency:** Ethics and social responsibility

8) ___ is an endorsement of a product by someone claiming to have benefited from its use.
   a. Puffing
   b. Warranty
   c. Guarantee
   d. Testimonial

**Competency:** Marketing
9) _____ resources are the most important to the success of a company.
   a. People
   b. Equity
   c. Technology
   d. Capital

   **Competency:** Economic concepts

10) Efficiency means
   a. producing products and services quickly, at low cost
   b. making the right decisions about what products or services to offer customers
   c. competing effectively in the global economy
   d. outsourcing most activities to international locations

   **Competency:** Business operations

**ANSWER KEY**

1. A
2. C
3. D
4. D
5. B
6. A
7. B
8. D
9. A
10. A