

Exam

Name \_\_\_\_\_

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 1) Any activity that produces a good or service to others while operating at a profit can be classified as a business. 1) \_\_\_\_\_
- 2) Businesses seek to earn a profit by providing goods and services to others. 2) \_\_\_\_\_
- 3) Revenue is the amount a business earns above and beyond what it spends for expenses and costs. 3) \_\_\_\_\_
- 4) All businesses make a profit. 4) \_\_\_\_\_
- 5) If a business' costs and expenses are greater than its revenue, it will suffer a loss. 5) \_\_\_\_\_
- 6) Profits of a business include the salaries paid to the owners and employees of that business. 6) \_\_\_\_\_
- 7) Any loss from a business will result in a bankruptcy. 7) \_\_\_\_\_
- 8) An owner who closes a business to start a new one is reported as an exit by Industry Canada. 8) \_\_\_\_\_
- 9) The only way a firm can increase its profits is to increase its sales revenue. 9) \_\_\_\_\_
- 10) The amount of profit or loss earned by a business can be found by subtracting the firm's expenses from its revenues. 10) \_\_\_\_\_
- 11) The Buckmaker Corporation generated total revenues of \$30 million dollars while incurring expenses of \$17 million. Therefore, during the year Buckmaker Corporation earned a profit of \$13 million. 11) \_\_\_\_\_
- 12) One of the elements of risk is the chance of a loss. 12) \_\_\_\_\_
- 13) Profit is over and above the money you pay yourself in salary. 13) \_\_\_\_\_
- 14) Maintaining a high quality of life requires the combined efforts of businesses, non-profit organizations, and volunteer groups. 14) \_\_\_\_\_
- 15) The term standard of living refers to the amount of goods people can buy with the money they make from their business. 15) \_\_\_\_\_

- 16) The more money businesses create, the more is potentially available to improve the quality of life for everyone. 16) \_\_\_\_\_
- 17) Stakeholders are all the people who stand to gain or lose by the policies and activities of a business. 17) \_\_\_\_\_
- 18) Stakeholders include customers, employees, stockholders, suppliers, dealers, bankers, government officials, and environmentalists. 18) \_\_\_\_\_
- 19) By balancing the demands of customers and stockholders, businesses have actually satisfied the demands of all stakeholders. 19) \_\_\_\_\_
- 20) A Canadian company is said to be outsourcing when it sources part of the purchased inputs from outside of Canada. 20) \_\_\_\_\_
- 21) Companies have gone from outsourcing production jobs to offshoring research and development. 21) \_\_\_\_\_
- 22) A recent study indicated that outsourcing will continue to grow at 5-10% across functions such as information technology, legal services, and human resource management. 22) \_\_\_\_\_
- 23) In Canada, most of the offshoring that occurs is with China. 23) \_\_\_\_\_
- 24) It is legal to outsource and offshore. 24) \_\_\_\_\_
- 25) Business decisions should consider the interests of customers, employees, suppliers, government officials, and stockholders. 25) \_\_\_\_\_
- 26) An effort to please one group of stakeholders eventually pleases all stakeholders. 26) \_\_\_\_\_
- 27) A charitable organization, whose goals do not include making a personal profit for its owners or organizers, such as the Red Cross or the Salvation Army, is best classified as a small business. 27) \_\_\_\_\_
- 28) Non-profit organizations are similar to businesses in that they often provide goods and services that satisfy the needs of society. 28) \_\_\_\_\_
- 29) Unlike businesses, employees of non-profit organizations are not required to learn the business skills of accounting, marketing, or financial management. 29) \_\_\_\_\_
- 30) Starting a business is a riskier path toward business success than working your way up the ranks of a large business. 30) \_\_\_\_\_

- 31) Paid vacations and a generous pension are among the benefits provided by the government to entrepreneurs. 31) \_\_\_\_\_
- 32) A lesson to learn from the story of Ron Joyce, who became a franchisee in the first Tim Hortons, is that to be a successful entrepreneur you need to find something that you love to do. 32) \_\_\_\_\_
- 33) Money is one of the five factors of production that contribute to the creation of wealth. 33) \_\_\_\_\_
- 34) Tools, machinery, and buildings are all types of capital resources. 34) \_\_\_\_\_
- 35) Recent studies have shown that the major advantage rich nations have over poor nations is an abundance of land and labour. 35) \_\_\_\_\_
- 36) Entrepreneurship is one of the five factors of production that contribute to the creation of wealth. 36) \_\_\_\_\_
- 37) The two factors of production that are the most important for creating wealth are entrepreneurship and the effective use of knowledge. 37) \_\_\_\_\_
- 38) Capital is now easy for firms to find in world markets. 38) \_\_\_\_\_
- 39) Countries with an inadequately trained work force and few entrepreneurs often achieve the highest levels of income by relying on a large number of workers. 39) \_\_\_\_\_
- 40) If they wish to create more wealth, poor nations should focus on policies that increase entrepreneurship and the effective use of knowledge. 40) \_\_\_\_\_
- 41) One of the five factors of production is Capital, which includes machines, tools, buildings, land, money, or whatever else is used in the production of goods. 41) \_\_\_\_\_
- 42) There are six elements to the business environment. 42) \_\_\_\_\_
- 43) The business environment refers to the surrounding factors that either help or hinder the development of businesses. 43) \_\_\_\_\_
- 44) Well-managed businesses will grow and prosper regardless of the business environment in which they operate. 44) \_\_\_\_\_
- 45) Taxes and government regulations are part of the legal environment in which businesses operate. 45) \_\_\_\_\_
- 46) High taxes and government restrictions help to encourage entrepreneurs by providing greater incentives for people to work hard and create profit. 46) \_\_\_\_\_

- 47) Governments can increase the risk of entrepreneurship by passing laws that enable business people to write contracts that are enforceable in court. 47) \_\_\_\_\_
- 48) Corruption and illegal activities are expected in a capitalist system and can be beneficial. 48) \_\_\_\_\_
- 49) Countries that keep taxes and regulations to a minimum provide the best environment for competitive businesses. 49) \_\_\_\_\_
- 50) Laws that allow businesses to write enforceable contracts decrease the risk of doing business. 50) \_\_\_\_\_
- 51) The economy affects both businesses and consumers. 51) \_\_\_\_\_
- 52) The movement of a country's currency relative to other currencies is not part of the economic environment. 52) \_\_\_\_\_
- 53) The degree of entrepreneurship present is part of the economic environment. 53) \_\_\_\_\_
- 54) Technology refers to innovations from applied science or engineering research. 54) \_\_\_\_\_
- 55) E-business is mostly done with Web technologies. 55) \_\_\_\_\_
- 56) E-commerce is the buying and selling of products and services by businesses and consumers over the Internet. 56) \_\_\_\_\_
- 57) E-commerce only covers one aspect of e-business. 57) \_\_\_\_\_
- 58) Technology refers to everything that makes business operations more efficient and productive. 58) \_\_\_\_\_
- 59) Technology affects people in all industries. 59) \_\_\_\_\_
- 60) Technology allows firms to be more responsive to their customers' wants and needs. 60) \_\_\_\_\_
- 61) Traditional businesses have been learning how to deal with competition from B2B firms. 61) \_\_\_\_\_
- 62) Business owners are often reluctant to enter the e-commerce market because of the sizeable investment required in land, fixtures, and buildings. 62) \_\_\_\_\_
- 63) The B2C market consists of selling goods and services from one business to another. 63) \_\_\_\_\_
- 64) The Internet has increased and improved a business's responsiveness to their customers. 64) \_\_\_\_\_

- 65) The Internet is more important to business-to-business segment of e-commerce than to the business-to-consumer segment of e-commerce. 65) \_\_\_\_\_
- 66) PIPEDA sets out how companies may collect, use and disclose personal information. 66) \_\_\_\_\_
- 67) Crowdsourcing helps businesses to find solutions to challenges. 67) \_\_\_\_\_
- 68) Identity theft is no longer a problem in Canada and the United States. 68) \_\_\_\_\_
- 69) A recent report found that 25% of small businesses use social media. 69) \_\_\_\_\_
- 70) Industry Canada sets out the ground rules for how private sector organizations may collect, use, or disclose personal information in the course of commercial activities. 70) \_\_\_\_\_
- 71) Since the recession, competition has decreased. 71) \_\_\_\_\_
- 72) The goal for many companies is 5% defects in their products. 72) \_\_\_\_\_
- 73) To remain competitive in today's market, firms must produce a quality product and offer outstanding service and products at a reasonable price. 73) \_\_\_\_\_
- 74) Producing a high quality product will ensure success in the competitive environment. 74) \_\_\_\_\_
- 75) Successful firms follow a customer-driven strategy, as opposed to the management-driven strategy used in the past. 75) \_\_\_\_\_
- 76) The competitive environment now empowers managers to make decisions quickly for their front line employees. 76) \_\_\_\_\_
- 77) Empowerment consists of employees from different departments within an organization formed to improve employee effectiveness. 77) \_\_\_\_\_
- 78) To be implemented successfully, empowerment requires that employees are better trained. 78) \_\_\_\_\_
- 79) The goal of empowerment in the work environment is to give management more control over the actions of lower-level workers. 79) \_\_\_\_\_
- 80) One way an organization can restructure to better meet the needs of customers is to train front-line people to make decisions within certain limits. 80) \_\_\_\_\_
- 81) An example of a customer-driven organization would be Disney amusement parks. 81) \_\_\_\_\_

- 82) The statistical study of the human population to describe its size, age, gender, and income is known as diversity recognition. 82) \_\_\_\_\_
- 83) Businesses use demographic studies to understand where people live, their lifestyles, and what they are likely to buy. 83) \_\_\_\_\_
- 84) The baby-boom includes those people born after 1995. 84) \_\_\_\_\_
- 85) Demographic trends suggest that businesses will benefit from offering elder care and child care to help employees balance the demands of job and family. 85) \_\_\_\_\_
- 86) Generation Y are also known as Millennials. 86) \_\_\_\_\_
- 87) Generation Y are also known as baby boomers. 87) \_\_\_\_\_
- 88) Most students are part of Generation X. 88) \_\_\_\_\_
- 89) The 20-34 age group is forecast to decline, as a percentage of the entire population, in the future. 89) \_\_\_\_\_
- 90) Companies will not have to respond to the trend of an aging population. 90) \_\_\_\_\_
- 91) The portion of the Canadian population that is very young (0-4) is forecast to decrease. 91) \_\_\_\_\_
- 92) Population studies indicate that the percentage of elderly in Canada is likely to remain unchanged. 92) \_\_\_\_\_
- 93) Demographic changes create new business opportunities. 93) \_\_\_\_\_
- 94) Some observers feel that baby boomers will have a large impact on the economy even as they reach retirement age. 94) \_\_\_\_\_
- 95) Baby boomers are those people born between 1965 and 1980. 95) \_\_\_\_\_
- 96) By 2036, one-half of the population will be Generation Z. 96) \_\_\_\_\_
- 97) Canada has welcomed close to 2.7 million permanent residents in the last ten years. 97) \_\_\_\_\_
- 98) The proportion of foreign-born in the Canadian population has been increasing since the 1990s. 98) \_\_\_\_\_
- 99) Companies have responded to their diverse customer base by hiring a more diversified work force. 99) \_\_\_\_\_

- 100) Two important global environment changes in recent years have been the growth of global competition and the decline of free trade. 100) \_\_\_\_\_
- 101) Manufacturers in China, and India pose little threat to Canadian firms because they are unable to meet the quality levels demanded by Canadian and European consumers. 101) \_\_\_\_\_
- 102) Global competition has decreased in recent years. 102) \_\_\_\_\_
- 103) World trade has its costs and benefits. Because of increased trade, there is now an increased interdependence between nations. 103) \_\_\_\_\_
- 104) As businesses expand to serve global markets, new jobs will be created in the manufacturing sector. 104) \_\_\_\_\_
- 105) Canada is insulated from economic problems in other parts of the world. 105) \_\_\_\_\_
- 106) World trade has grown in part because of the development of efficient distribution systems. 106) \_\_\_\_\_
- 107) Saving energy is part of greening. 107) \_\_\_\_\_
- 108) Climate change is not important to the international business community. 108) \_\_\_\_\_
- 109) Greening impacts every type of business decision. 109) \_\_\_\_\_
- 110) Saving energy and producing products that cause less harm to the environment is called climate change. 110) \_\_\_\_\_
- 111) A continuously changing global environment creates a need for continuous learning. 111) \_\_\_\_\_
- 112) Today, more than ever, Canadian businesses require more workers in industries that produce goods. 112) \_\_\_\_\_
- 113) The goods-producing sector includes manufacturing, utilities, agriculture, and service. 113) \_\_\_\_\_
- 114) The number of Canadian jobs in manufacturing has increased in the past five years. 114) \_\_\_\_\_
- 115) Manufacturing is no longer an important part of the Canadian economy. 115) \_\_\_\_\_
- 116) While the proportion of workers employed in agriculture has remained relatively constant, the average size of farms has steadily decreased over the past century. 116) \_\_\_\_\_
- 117) Increases in productivity have allowed fewer farmers to feed more and more people. 117) \_\_\_\_\_

- 118) The advice provided by a lawyer is an example of the service industry. 118) \_\_\_\_\_
- 119) In Canada, the majority of jobs are generated in the services-producing sector. 119) \_\_\_\_\_
- 120) Although employment in the service sector has increased rapidly in recent years, the vast majority of workers are still employed in the goods producing sector. 120) \_\_\_\_\_
- 121) There are more high-paying jobs in the service sector than in the goods-producing sector. 121) \_\_\_\_\_
- 122) Firms providing high-paying service jobs are found in areas like health, telecommunications, and finance. 122) \_\_\_\_\_
- 123) The growth in the service sector in Canada has, in part, been due to technological improvements. 123) \_\_\_\_\_
- 124) The transition from an agricultural economy to a manufacturing economy to a service-based economy has resulted in a serious increase in long-term unemployment. 124) \_\_\_\_\_
- 125) The services producing sector employs 78% pf the working population. 125) \_\_\_\_\_
- 126) The continuing increase in the number of Canadian workers in the service sector means that more and more workers are employed in low-wage positions. 126) \_\_\_\_\_
- 127) Samir is a financial planner who helps people find ways to save for retirement and lower their taxes. Samir is employed in the service sector of the economy. 127) \_\_\_\_\_
- 128) After losing her manufacturing job in the Canadian automobile industry, Juanita has found that well-paid service sector jobs require retraining and further education. 128) \_\_\_\_\_
- 129) Some growth in the service sector has come after large manufacturers contracted out some jobs. 129) \_\_\_\_\_
- 130) Some service firms have been created to provide services that used to be performed by women who were at home and not in the workforce. 130) \_\_\_\_\_
- 131) The service era is now coming to a close, being replaced by an information-based revolution. 131) \_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 132) Experts say that today's post-secondary graduates will likely hold \_\_\_\_\_ jobs in their lifetime. 132) \_\_\_\_\_
- A) one                      B) three                      C) twelve                      D) seven



- 133) A business is any activity that provides goods and services while operating \_\_\_\_\_. 133) \_\_\_\_\_  
 A) revenue B) at a profit  
 C) with social goals D) machinery
- 134) A(n) \_\_\_\_\_ is a person who assumes the risk of starting and managing a 134) \_\_\_\_\_  
 business.  
 A) manager B) stakeholder  
 C) government official D) entrepreneur
- 135) A business incurs a \_\_\_\_\_ if its costs and expenses exceed its revenues. 135) \_\_\_\_\_  
 A) dividend B) liability C) debit D) loss
- 136) \_\_\_\_\_ is the chance an entrepreneur will lose the time and money invested in a 136) \_\_\_\_\_  
 business that proves to be unprofitable.  
 A) Redundancy B) Depreciation C) Fallibility D) Risk
- 137) The total amount of money that businesses take in over a given period of time for selling 137) \_\_\_\_\_  
 goods and services is called \_\_\_\_\_.  
 A) retained earnings B) loss  
 C) revenue D) profit
- 138) A loss occurs when a business's expenses are greater than its: 138) \_\_\_\_\_  
 A) debit B) credits C) profit D) revenue
- 139) The chance of loss is known as \_\_\_\_\_. 139) \_\_\_\_\_  
 A) stakeholder B) bankruptcy  
 C) risk D) small business
- 140) Often in business, the greater the risk, the: 140) \_\_\_\_\_  
 A) lower the expected revenues. B) lower the value provided to society.  
 C) greater the potential reward. D) greater the number of stakeholders.
- 141) For an entrepreneur to achieve success in the business world he has to be willing to take: 141) \_\_\_\_\_  
 A) risks. B) bribes.  
 C) government assistance. D) losses.
- 142) Risk is the chance an entrepreneur takes of losing money and \_\_\_ on a business. 142) \_\_\_\_\_  
 A) profit B) stakeholders C) revenue D) time

- 143) Shelley recently opened a new restaurant specializing in fast foods prepared with less fat and calories for health-conscious diners who are in a hurry. Shelley knows that there are some risks associated with opening and managing a restaurant, but she is confident that she can earn a profit. Shelley is an example of a(n): 143) \_\_\_\_\_  
A) speculator. B) account manager.  
C) arbitrageur. D) entrepreneur.
- 144) A key characteristic of entrepreneurs is that they: 144) \_\_\_\_\_  
A) have experience in running large, complex organizations.  
B) possess a great deal of personal wealth.  
C) are willing to accept the risks involved in starting and managing a business.  
D) have a high level of scientific and technical expertise.
- 145) Making a new type of automobile involves what? 145) \_\_\_\_\_  
A) the service economy B) profits  
C) high risk D) arbitrage
- 146) A business owner has to find the right balance between risk and \_\_\_\_\_. 146) \_\_\_\_\_  
A) revenue B) profit C) speculation D) time
- 147) Quality of life refers to: 147) \_\_\_\_\_  
A) the general well-being of a society.  
B) the amount of good and services people can buy.  
C) the outsourcing of job functions.  
D) addressing the needs of all stakeholders when making a business decision.
- 148) Often goods cost more in one country than another because of what? 148) \_\_\_\_\_  
A) the Internet  
B) new stakeholders  
C) higher taxes and stricter government regulations  
D) profits
- 149) Customers, employees, stockholders and, suppliers are known as creditors, and others who stand to gain or lose by the policies and activities of a business represent the firm's: 149) \_\_\_\_\_  
A) stakeholders. B) economic environment.  
C) social mentors. D) market makers.
- 150) Stakeholders may have direct and \_\_\_\_ impact upon a business. 150) \_\_\_\_\_  
A) indirect B) societal  
C) non-profit D) organizational

- 151) The challenge of this century is for organizations to balance, as much as possible, \_\_\_\_\_ 151) \_\_\_\_\_  
 A) profits and losses B) macro and micro economic forces  
 C) profit vs non-profit D) the needs of all stakeholders
- 152) Which of the following is NOT a stakeholder? 152) \_\_\_\_\_  
 A) government B) non-profit businesses  
 C) customers D) employees
- 153) Offshoring entails: 153) \_\_\_\_\_  
 A) assigning various functions to outside organizations.  
 B) sourcing parts outside of the country.  
 C) having a limited life.  
 D) being controlled by a board of directors.
- 154) Insourcing can be found in what industry, according to the text? 154) \_\_\_\_\_  
 A) United Church of Canada. B) Red Cross.  
 C) Retailing. D) Automotive sector.
- 155) In Canada, most of the offshoring that occurs is with what country? 155) \_\_\_\_\_  
 A) England B) China  
 C) The United States D) India
- 156) Companies have gone from outsourcing jobs to offshoring what? 156) \_\_\_\_\_  
 A) stakeholders B) profits  
 C) research and development D) the purchase of inputs
- 157) When might offshoring backfire? 157) \_\_\_\_\_  
 A) If the procedures followed in managing the outsourced function remain the same.  
 B) If the cost of the function is reduced by at least 50%.  
 C) When all of the current suppliers to the outsourced function are retained.  
 D) If the overseas company uses the information to produce its own competitive product.
- 158) What is a social entrepreneur? 158) \_\_\_\_\_  
 A) an individual who uses business principles to start and manage a non-profit organization  
 B) an individual working for a non-profit organization  
 C) an individual who avoids business principles to start a non-profit organization  
 D) any new business start-up with social goals

- 159) Non-profit organizations: 159) \_\_\_\_\_  
A) are run by the government.  
B) have a hard time hiring employees as they have no means of paying them.  
C) last for only short periods of time as their objective is not to create profits for their owners.  
D) can provide an opportunity for individuals to address social issues.
- 160) In Canada, about how many people work for the country's charities and non-profits? 160) \_\_\_\_\_  
A) 10 million                      B) 2 million                      C) 5 million                      D) 1 million
- 161) There are two ways to succeed in business. One way is to rise up through the ranks of a large company. What is the other way? 161) \_\_\_\_\_  
A) starting a business.  
B) working for a non-profit organization.  
C) working for the government.  
D) working for a small business.
- 162) The resources that contribute to the creation of wealth are known as: 162) \_\_\_\_\_  
A) production aggregates.                      B) production coefficients.  
C) factors of production.                      D) production technologies.
- 163) Which of the following is a factor of production? 163) \_\_\_\_\_  
A) money                      B) knowledge                      C) service                      D) bonds
- 164) Machines, tools, buildings and other means of manufacturing are called: 164) \_\_\_\_\_  
A) equipment.                      B) capital goods.                      C) labour.                      D) machinery.
- 165) As a factor of production, the term capital includes: 165) \_\_\_\_\_  
A) natural resources such as land and water.  
B) services provided by the government that enable businesses to be more productive.  
C) stocks and bonds issued by corporations.  
D) tools, machinery, and buildings.
- 166) All of the following are factors of production except: 166) \_\_\_\_\_  
A) money.                      B) land.                      C) capital.                      D) labour.
- 167) The two factors of production that seem to contribute the most to making countries rich are: 167) \_\_\_\_\_  
A) entrepreneurship and labour.                      B) entrepreneurship and knowledge.  
C) land and labour.                      D) land and capital.

- 168) Nadine has started up a new printing business. The printers, computers, and copying machines she has leased are examples of: 168) \_\_\_\_\_  
 A) intangible resources. B) current assets.  
 C) capital. D) natural resources.
- 169) As you consider the factors of production, which of them will be the most important contributing factor to increasing the nation's wealth? 169) \_\_\_\_\_  
 A) capital. B) labour. C) knowledge. D) land.
- 170) Which of the following is the most accurate statement about the impact of entrepreneurs? 170) \_\_\_\_\_  
 A) capital is the primary source of wealth today, followed by the impact of entrepreneurs.  
 B) labour is the primary source of wealth today, followed by the impact of entrepreneurs.  
 C) entrepreneurs, and the use of knowledge are the primary source of wealth today.  
 D) land is a more important factor of production than the impact of entrepreneurs.
- 171) Which of the following factors of production is the most important contributing factor to increasing a nation's wealth? 171) \_\_\_\_\_  
 A) entrepreneurship. B) labour.  
 C) capital. D) natural resources.
- 172) Which is NOT a factor of production? 172) \_\_\_\_\_  
 A) laws B) land C) capital D) labour
- 173) Which of the following statements about factors of production is the most accurate? 173) \_\_\_\_\_  
 A) the five factors of production are energy, capital, labour, leadership and money.  
 B) each of the factors of production is equally important in creating wealth.  
 C) wealth creation in poor nations is slowed by chronic shortages of labour.  
 D) entrepreneurship and knowledge are the most important in creating wealth.
- 174) Johnsonville is a small and poor nation, but its current president has a genuine desire to create more wealth for Johnsonville's citizens. The president has received recommendations from several of her advisors. Which of the following recommendations is likely to create the most wealth for Johnsonville? 174) \_\_\_\_\_  
 A) establish a business environment that promotes and rewards entrepreneurship.  
 B) use foreign aid from other nations to purchase more tools and machinery.  
 C) acquire more land by invading a neighboring country that is even poorer and weaker than Johnsonville.  
 D) establish barriers to trade to protect Johnsonville businesses from foreign competition.

- 175) High tax rates tend to: 175) \_\_\_\_\_  
A) reduce the amount of money created by the government.  
B) promote economic development.  
C) discourage entrepreneurship.  
D) make a nation's currency tradable.
- 176) The subprime mortgage scandal shows: 176) \_\_\_\_\_  
A) the risk of investing in real estate.  
B) the increased strength of the Euro and the European market.  
C) the impact of corporate scandals on investor confidence.  
D) the continued weakness of Canada's Asian trading partners.
- 177) In countries where businesses are government owned: 177) \_\_\_\_\_  
A) the quality of goods is high but profits are low.  
B) profits tend to be higher.  
C) the right amount of each good is produced.  
D) there is less incentive to work hard.
- 178) One economic environmental factor of great importance to many businesses is: 178) \_\_\_\_\_  
A) stakeholder activities.  
B) the actions of non-profits.  
C) the movement of the Canadian dollar.  
D) entrepreneurship.
- 179) Technology affects people in: 179) \_\_\_\_\_  
A) all industries.  
B) most industries.  
C) primarily high income countries.  
D) information technology industries with the exception of agriculture.
- 180) Employers provide tools and technology for their employees in order to: 180) \_\_\_\_\_  
A) to reduce corruption in business and eliminate scandals.  
B) increase the cost of production and profitability.  
C) improve their efficiency and productivity.  
D) encourage the private ownership of businesses.
- 181) The example of Don Glenn, a farmer using his computer to compare data from the previous year's harvest with satellite photos of his farm to know which crops are flourishing is an example of what? 181) \_\_\_\_\_  
A) the importance of land as a factor of production  
B) managers in Canada motivating employees with large pay raises  
C) the benefits of technology  
D) the differences in wage rates between rural and urban dwellers

- 182) \_\_\_\_\_ refers to the amount of output generated with a given amount of input, e.g., number of pizzas produced per worker per hour. 182) \_\_\_\_\_  
 A) Efficiency B) Productivity  
 C) Telecommuting D) Technology
- 183) \_\_\_\_\_ means producing items with the least amount of resources. 183) \_\_\_\_\_  
 A) Technology B) Efficiency C) Productivity D) E-production
- 184) The two main types of e-commerce are: 184) \_\_\_\_\_  
 A) online and offline. B) wholesale and retail.  
 C) M2M and M2N. D) B2B and B2C.
- 185) When businesses sell to other businesses over the Internet, these transactions are known as: 185) \_\_\_\_\_  
 A) intermediate e-commerce transactions.  
 B) B2B transactions.  
 C) B2C transactions.  
 D) e-wholesale transactions.
- 186) Companies that sell goods to consumers over the Internet are engaging in: 186) \_\_\_\_\_  
 A) B2B transactions. B) B2C transactions.  
 C) Y2K transactions. D) IOU transactions.
- 187) The buying and selling of goods and services online is known as what? 187) \_\_\_\_\_  
 A) Y2K transactions. B) B2B transactions.  
 C) E-commerce. D) IOU transactions.
- 188) An electronic storage file where firms keep customer information is known as a(n): 188) \_\_\_\_\_  
 A) MP3 file. B) e-mail server.  
 C) database. D) management information system.
- 189) Summit Gifts, Inc., is a mail order firm that specializes in expensive and unusual gifts for all occasions. Summit keeps a large file of information on all of its regular customers, including names, addresses, the types of gifts they have ordered in the past, and the size and frequency of their orders. The electronic file in which this information is stored is an example of a(n): 189) \_\_\_\_\_  
 A) spreadsheet. B) PERT file. C) database. D) MP3 file.

- 190) Which of the following predictions about the impact of e-commerce on traditional businesses is likely to be most accurate? 190) \_\_\_\_\_
- A) Traditional firms will enter the e-commerce market.
  - B) E-commerce will have little impact on most traditional businesses, because only a few types of products can be sold effectively over the Internet.
  - C) E-commerce will prove to be very successful in competing against traditional firms in B2C markets, but will have much less success in B2B markets.
  - D) Traditional businesses will cease to exist within twenty years.
- 191) A retailer can store a lot of customer records that include their name, address, and telephone numbers and past purchases in a database. This allows the retailer to only stock what the customers in their area want. This saves the retailer's money in: 191) \_\_\_\_\_
- A) accounting costs.
  - B) wages.
  - C) benefits.
  - D) financing.
- 192) Recently, Marie received a telephone call from her credit card company asking if she had just placed a large off-shore wager using her credit card. Marie indicated that she had not. The illegal use of Marie's credit card probably happened because Marie: 192) \_\_\_\_\_
- A) had not used her credit card for many months
  - B) had just been approved for a new credit card
  - C) has made frequent on-line purchases, and in the course of completing one of these, an identity theft occurred
  - D) had loaned her credit card to a personal friend
- 193) The federal privacy law is known as what? 193) \_\_\_\_\_
- A) CITA
  - B) SCEF
  - C) Statistics Canada
  - D) PIPEDA
- 194) To be successful in today's markets, businesses must: 194) \_\_\_\_\_
- A) delight customers with a quality product at a good price and outstanding service.
  - B) provide the greatest variety of products to consumers.
  - C) focus their resources on understanding economic cycles.
  - D) spend more money on marketing and less on production.
- 195) Successful businesses are keenly focused on their: 195) \_\_\_\_\_
- A) creditors
  - B) bureaucrats
  - C) managers
  - D) customers



- 196) Kisa is a production manager at Western Widgets, Inc., a manufacturing corporation that sells its products worldwide. Thanks in part to Kisa's efforts, Western Widgets has dramatically improved the quality of its products. Kisa believes that the high quality of its output will give Western Widgets a competitive edge. Kisa's view is: 196) \_\_\_\_\_
- A) not wrong, but it is too limited. Consumers demand high quality goods, along with competitive prices and outstanding service.
  - B) correct. Producing high quality goods is the key to success in the competitive marketplace.
  - C) incorrect. The typical consumer is more interested in price than quality.
  - D) not exactly correct. The best strategy for market success is to develop new products quickly and get them to the market before the competition, even if quality suffers a bit.
- 197) Business has changed over time, traditionally business was more focused on the product and how to sell it. Today business is more focused on: 197) \_\_\_\_\_
- A) reliability.
  - B) marketing.
  - C) production.
  - D) quality and service.
- 198) To be effective, empowerment will require lower-level workers to: 198) \_\_\_\_\_
- A) have written policies regulating each aspect of their work.
  - B) accept less responsibility and lower wages.
  - C) receive less training.
  - D) have more training.
- 199) Empowerment requires that managers focus more on \_\_\_\_\_ lower-level employees. 199) \_\_\_\_\_
- A) controlling and correcting
  - B) training, supporting, coaching, and motivating
  - C) simplifying the jobs of
  - D) directly supervising
- 200) The statistical study of human population to learn its size, density, and characteristics is called: 200) \_\_\_\_\_
- A) demography
  - B) geometry
  - C) psychographics
  - D) econometrics
- 201) \_\_\_\_\_ provides information to businesses concerning where people live, what they buy, and how they spend their time. 201) \_\_\_\_\_
- A) Anthropology
  - B) Econometrics
  - C) Demography
  - D) Sociography
- 202) Those individuals born in Canada between 1947 and 1966 are referred to as: 202) \_\_\_\_\_
- A) diversity workers.
  - B) echoes.
  - C) Generation X.
  - D) baby boomers.

- 203) People born in Canada between 1980 and 1995 are referred to as: 203) \_\_\_\_\_  
 A) Generation X. B) Generation Y.  
 C) baby boomers. D) diversity workers.
- 204) According to statistics Canada, by 2036 what proportion of the population will be 204) \_\_\_\_\_  
 Generation Z?  
 A) 2/3 B) 1/2 C) 1/3 D) 1/4
- 205) The book *Boom Bust & Echo* economist David Foot suggests that \_\_\_\_\_ explains 205) \_\_\_\_\_  
 about two-thirds of everything, including what products will be in demand in five years.  
 A) knowledge B) capital C) E-commerce D) demographics
- 206) The Canadian population has been \_\_\_\_\_ for several decades. 206) \_\_\_\_\_  
 A) becoming more homogeneous B) declining  
 C) aging D) growing poorer
- 207) Birth-rates have declined in Canada since when? 207) \_\_\_\_\_  
 A) Mid-1950s B) Mid-1980s C) Mid-1960s D) Mid-1970s
- 208) Those born between 1995 and 2009 are known as what? 208) \_\_\_\_\_  
 A) baby boomers. B) Generation X.  
 C) Generation Z. D) Generation Y.
- 209) By 2031, seniors will account for nearly what percentage of the Canadian population? 209) \_\_\_\_\_  
 A) 1/3 B) 1/4 C) 1/2 D) 2/3
- 210) Businesses that cater to seniors will have what type of prospects? 210) \_\_\_\_\_  
 A) neutral B) declining C) bad D) good
- 211) Which of the following age groups is expected to grow in the future? 211) \_\_\_\_\_  
 A) age 5-19 B) age 0-4  
 C) age 35-64 D) age 65 and above
- 212) Jill is looking into the possibility of opening up a for-profit seniors centre in her 212) \_\_\_\_\_  
 community. However, she is concerned about the long-term prospects for such a  
 business. Jill believes the future of her centre will depend on the growth of the seniors  
 population. This concern illustrates how businesses can be affected by:  
 A) holographic trends. B) econometric trends.  
 C) psychometric trend. D) demographic trends.
- 213) When looking at the global environment, one recent change has been: 213) \_\_\_\_\_  
 A) the growth of global competition B) centralized management  
 C) fast response theory D) disenfranchisement

- 214) Globalization has greatly \_\_\_\_\_. 214) \_\_\_\_\_  
 A) reduced the number of jobs worldwide  
 B) hurt consumers  
 C) declined  
 D) improved living standards around the world
- 215) Two important changes to the global environment of business in recent years are: 215) \_\_\_\_\_  
 A) high quality goods & prices.  
 B) foreign exchange & free trade.  
 C) growth of international competition & low prices.  
 D) growth of international competition & free trade.
- 216) Few issues have captured the attention of the international business community more than what? 216) \_\_\_\_\_  
 A) climate change  
 B) management change  
 C) profits  
 D) demography
- 217) The trend toward saving energy and producing products that cause less harm to the environment is known as what? 217) \_\_\_\_\_  
 A) foreign exchange  
 B) growth of international competition  
 C) free trade  
 D) greening
- 218) An increase in global trade will bring about a(n): 218) \_\_\_\_\_  
 A) increase in global competition.  
 B) increase in prices.  
 C) decrease in jobs.  
 D) increased political instability.
- 219) Today's Canadian businesses require \_\_\_\_\_ workers in industries that produce goods. 219) \_\_\_\_\_  
 A) Skilled  
 B) more  
 C) trained  
 D) fewer
- 220) Businesses that produce and sell tangible products such as appliances, furniture, and clothing are part of the: 220) \_\_\_\_\_  
 A) production sector.  
 B) manufacturing sector.  
 C) knowledge-based sector.  
 D) service sector.
- 221) Due to increased competition, many of the farms that existed 50 years ago have been replaced by what? 221) \_\_\_\_\_  
 A) the production sector  
 B) larger farms  
 C) cities  
 D) the manufacturing sector
- 222) The loss of farm workers over the last century is what? 222) \_\_\_\_\_  
 A) a symptom of global competition  
 B) going to reverse in the future  
 C) a negative sign  
 D) an indication of growing productivity

- 223) Health care, legal advice, transportation, and other intangible products are provided by the: 223) \_\_\_\_\_  
 A) service sector B) high-wage sector  
 C) global sector D) industrial sector
- 224) Since the beginning of the 1900s, the agricultural sector of Canada has: 224) \_\_\_\_\_  
 A) produced a consistent output per farm.  
 B) experienced a big drop in employment, mainly because of tremendous improvements in efficiency.  
 C) become less and less competitive in the global economy.  
 D) seen the number of family farms more than double.
- 225) About what percentage of Canadians are employed in the goods-producing sector? 225) \_\_\_\_\_  
 A) 42 B) 12 C) 625 D) 22
- 226) About what percentage of Canadians are employed in the manufacturing sector? 226) \_\_\_\_\_  
 A) 10 B) 80 C) 40 D) 20
- 227) In recent years, the fastest growing firms are in the \_\_\_\_\_ sector. 227) \_\_\_\_\_  
 A) manufacturing B) telecommunications  
 C) service D) agricultural
- 228) Today, the leading firms are in: 228) \_\_\_\_\_  
 A) production B) agricultural C) auto D) services
- 229) The service producing sector employs almost \_\_\_\_% of the working population 229) \_\_\_\_\_  
 A) 78 B) 58 C) 48 D) 68
- 230) Appliance repair firms, tax consultants, law firms, and insurance companies are all business firms that are part of the: 230) \_\_\_\_\_  
 A) neo-industrial sector. B) service sector.  
 C) management sector. D) production sector.
- 231) In recent years, many manufacturing firms in Canada have laid off workers. The best explanation of this trend is that: 231) \_\_\_\_\_  
 A) workers in Canada have become less productive and are no longer able to compete in the global economy.  
 B) the economy has been in a prolonged recession/depression that has lasted more than a decade.  
 C) the rising Canadian dollar and increasing global competition.  
 D) firms have been trying to weaken unions by reducing their reliance on labour.

- 232) Which of the following describes a reason for the recent job growth in the service sector? 232) \_\_\_\_\_
- A) Large manufacturing firms seeking efficiency have contracted out an increasing number of services.
  - B) The Canadian economy has been growing over the past decade.
  - C) The increasing interest in the environment has led to the creation of service oriented jobs. There has been little change in the number of jobs in the service sector in recent years, however employment is expected to increase rapidly.
  - D) Offshoring has led to service industry.
- 233) In order to survive in the service economy, graduates must: 233) \_\_\_\_\_
- A) have a high school diploma
  - B) remain flexible
  - C) take accounting courses
  - D) train for specific manufacturing jobs
- 234) Mark recently graduated with honours from his college. He has bragged to his friends that his fine academic performance has prepared him so well for a successful career that he can forget school or training in his future. In evaluating the workplace of the future, Mark is: 234) \_\_\_\_\_
- A) exactly right. His past performance should carry him to success.
  - B) probably right. Specialized training today is a key to continued success in the future.
  - C) completely wrong. Studies show that a college education has little to do with success.
  - D) over confident. Global competition means that flexibility, finding out where jobs are being created, and moving when appropriate are important.
- 235) Some areas of the service sector will grow rapidly, while other areas of the service sector may \_\_\_\_\_. 235) \_\_\_\_\_
- A) not grow as quickly as manufacturing jobs
  - B) decline
  - C) have slower growth
  - D) not grow as quickly as agricultural jobs
- 236) Certain sectors in the Canadian economy have experienced a significant decline in employment. Which of the following best explains this job loss in specific industries? 236) \_\_\_\_\_
- A) There has been a decline in the productivity of labour in these industries.
  - B) The Canadian economy cannot compete in the global environment.
  - C) Workers lost these jobs because worker productivity in the sector increased.
  - D) Government regulations have eliminated profit opportunities in these industries.
- 237) The new era of business is likely to be dominated by the: 237) \_\_\_\_\_
- A) continued decline in productivity.
  - B) agricultural sector.
  - C) information-based sector.
  - D) manufacturing sector.

## Answer Key

Testname: UNTITLED1

- 1) TRUE
- 2) TRUE
- 3) FALSE
- 4) FALSE
- 5) TRUE
- 6) FALSE
- 7) FALSE
- 8) TRUE
- 9) FALSE
- 10) TRUE
- 11) TRUE
- 12) TRUE
- 13) TRUE
- 14) TRUE
- 15) FALSE
- 16) TRUE
- 17) TRUE
- 18) TRUE
- 19) FALSE
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- 21) TRUE
- 22) FALSE
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- 24) TRUE
- 25) TRUE
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- 28) TRUE
- 29) FALSE
- 30) TRUE
- 31) FALSE
- 32) TRUE
- 33) FALSE
- 34) TRUE
- 35) FALSE
- 36) TRUE
- 37) TRUE
- 38) TRUE
- 39) FALSE
- 40) TRUE
- 41) FALSE
- 42) TRUE
- 43) TRUE
- 44) FALSE
- 45) TRUE
- 46) FALSE
- 47) FALSE
- 48) FALSE
- 49) TRUE
- 50) TRUE

## Answer Key

Testname: UNTITLED1

- 51) TRUE
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- 53) TRUE
- 54) TRUE
- 55) TRUE
- 56) TRUE
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- 59) TRUE
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- 94) TRUE
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- 96) FALSE
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- 99) TRUE
- 100) FALSE

Answer Key

Testname: UNTITLED1

- 101) FALSE
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- 103) TRUE
- 104) TRUE
- 105) FALSE
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- 130) TRUE
- 131) TRUE
- 132) D
- 133) B
- 134) D
- 135) D
- 136) D
- 137) C
- 138) D
- 139) C
- 140) C
- 141) A
- 142) D
- 143) D
- 144) C
- 145) C
- 146) B
- 147) A
- 148) C
- 149) A
- 150) A



Answer Key

Testname: UNTITLED1

- 151) D
- 152) B
- 153) B
- 154) D
- 155) C
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- 158) A
- 159) D
- 160) B
- 161) A
- 162) C
- 163) B
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- 165) D
- 166) A
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- 168) C
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- 171) A
- 172) A
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- 189) C
- 190) A
- 191) D
- 192) C
- 193) D
- 194) A
- 195) D
- 196) A
- 197) D
- 198) D
- 199) B
- 200) A

Answer Key

Testname: UNTITLED1

- 201) C
- 202) D
- 203) B
- 204) D
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- 212) D
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- 227) C
- 228) D
- 229) A
- 230) B
- 231) C
- 232) A
- 233) B
- 234) D
- 235) C
- 236) C
- 237) C