Midterm and Final Exam Questions

# Module 1

Learning Outcome: Discuss the role of business in society, the primary functions within a business, and external forces that affect business activities

## Question 1

In order for a business to survive, it needs the factors of production.

### Part I

Identify the factors and give a brief description of each, making sure to provide an example from business for each factor.

### Part II

In today’s economy, which of the factors of production are most important to business growth and profitability, and why?

## Question 2

### Part I

List and describe the six external factors that have an influence on business.

### Part II

Give examples of the ways in which **three** of these factors can affect the business performance of two companies: Wal-Mart and Ford.

## Question 3

Mr. Haney owns a company that has been manufacturing Gizmos in Hooterville, SC for the last forty years. Mr. Haney finally admits that he can no longer compete with imported Gizmos from China and announces that he will close the plant at the end of the year. The company employs 500 workers, which is significant since Hooterville has a population of only 30,000 residents. Identify both the internal and external stakeholders that will be impacted by this plant closure and describe what the impact for each will be.

# Module 2

Learning Outcome: Explain fundamental economic principles and describe how they shape the business environment

## Question 1

### Part I

Define demand and define and describe demand curves. In addition, explain the differences between demand and quantity demanded and how each term influences the demand curve.

### Part II

Discuss three factors that can shift the demand curve and give real life examples of these factors in action.

## Question 2

There are three main economic goals shared by countries around the world: growth, high employment, and price stability. Choose a country to examine further. Using reputable online resources, explain how you can determine your selected country’s successes and failures for each of the three categories. Be sure to define key terms associated with each of the three goals and explain what resources you used to assess your chosen country’s success or failure in each goal.

# Module 3

Learning Outcome: Describe the characteristics, opportunities, and challenges of the global business environment.

## Question 1

A large corporation has decided to expand internationally. To expedite their efforts, high ranking members within the corporation paid the foreign government officials under the table to quickly approve and support the construction of new store fronts in their country.

### Part I

Are there ethical issues present in this scenario? If so, what are they and how can they impact the expanding corporation in the future?

## Part II

What rules and regulations are in place to defend against this ethical issue?

## Question 2

There are a variety of strategies that a business can use in order to reach global markets. For each of the following businesses, which strategy would be appropriate? Once you have selected an appropriate strategy, provide one advantage and one disadvantage the business may encounter when employing the strategy.

### Business I

A manufacturer of high-tech drones used to map the surface of the planet Mercury

### Business II

A clothing company that specializes in designer clothing for children under the age of ten

### Business III

A doughnut shop that has locations in thirty-two states but now wants to take its “bake-and-take” doughnuts to the global market

## Question 3

An online dating site, *A Lid for Every Pot,* has decided to expand internationally. They are aware that there are a number of forces that influence international expansion and have hired you to conduct an analysis on how some of these influences may impact their international expansion efforts. Define and examine three forces that may influence their international expansion. Then, provide examples of ways in which these influences will impact *A Lid for Every Pot’s* expansion goals. Lastly, provide recommendations on how (or where) *A Lid for Every Pot* should move forward.

# Module 4

Learning Outcome: Explain the institutions and markets that comprise the financial system, and explain how they affect the economy and the money supply

## Question 1

### Part I

Define and describe M1 and M2 money supply.

### Part II

Explain how the two are related and explain who is responsible for tracking the amounts of each.

## Question 2

### Part I

Identify and explain the three ways that the Federal Reserve controls the money supply.

### Part II

What is the impact on business when the money supply is increased?

### Part III

What is the impact on business when the money supply is decreased?

# Module 5

Learning Outcome: Summarize the role of the legal system in governing and shaping the climate for business

## Question 1

Susie decides to get together with friends to catch up and go shopping. After getting a pedicure, her friends decide to head to a big box retailer to kill some time before their dinner reservation. Upon entering the store in her flip-flop sandals, Susie slips and falls on the ground, breaking her ankle in the process. Susie claims that she tripped on water left on the floor from the shopping carts the cart attendant was bringing in from the parking lot. To make matters worse, there was no visible wet floor sign. Susie plans to take legal action in order to receive compensation for her injury.

Answer the following prompts using this scenario.

### Part I

Name and define the law category this type of lawsuit would fall under.

### Part II

Explain how this type of lawsuit places responsibility.

### Part III

Present an argument for both Susie and the big box retailer to explain why each party should win the case.

## Question 2

Government regulation of business changes over time, often in response to public sentiment, the political environment, and the economy. At times the pendulum swings toward more regulation, and other times it favors deregulation. Regardless of the case, businesses must work within the legal and regulatory environment as it applies to their business or industry. Discuss the major challenges facing business in today’s regulatory setting, giving specific examples of instances where regulation helps and hurts business.

# Module 6

Learning Outcome: Illustrate the importance of ethical behavior and corporate social responsibility

## Question 1

Corporate social responsibility (CSR) has become a huge focus for consumers and corporations alike. Select a company that has shown progressive movements towards better CSR and describe the strategies they are using to make a positive impact on the environment, society, and their stakeholders.

## Question 2

You are the regional sales manager of a large corporation and are currently conducting interviews for a new leadership role in your region. You just learned that your most qualified candidate, Bethany, is pregnant with her first child. Although Bethany did not disclose this information during her interview, you learned from a mutual friend that she is due right before the launch of your company’s new product. Although you would like to promote Bethany because she is the most qualified, you are concerned that the timing of her maternity leave will negatively impact the launch of the new product. Describe both the ethical and legal issues around your hiring dilemma. Make a decision whether or not to hire Bethany and explain your reasoning.

# Module 7

Learning Outcome: Distinguish among the forms of business ownership

## Question 1

Friends and neighbors have asked you to walk their dogs for years because they know how much you love dogs and you are extremely reliable. You have made the decision to turn this “hobby” into a legitimate business. A friend has expressed an interest in being involved in the formation of the business, but you don’t have any kind of formal agreement, and you don’t know whether you want her as a business partner or not. You start looking for information about starting a business and realize that you need to choose a form of business ownership. Identify three options for business ownership, and explain the advantages and disadvantages associated with each type.

## Question 2

Many businesses begin as sole proprietorships; however, almost no large companies are organized this way.

### Part I

Why is the sole proprietorship such a popular form of ownership for new business?

### Part II

What features of the sole proprietorship make it unattractive to companies that want to expand and grow their business?

# Module 8

Learning Outcome: Discuss the role of entrepreneurship in small business

## Question 1

You are attending your high school reunion, and while you are standing in the buffet line, you see Frederick, the president of your senior class handing out his business cards to a group of classmates. When you ask someone to see his card, it indicates that he is CEO of MegaBucks, a company that has been in the news lately as one of the fastest-growing small businesses in the region. You are not surprised by this at all. What steps or actions would he have taken as he started his business in order for it to be successful?

## Question 2

You are attending your high school reunion and while you are standing in the buffet line, you see Jane, the president of your senior class handing out her business cards to a group of classmates. When you ask someone to see her card, it indicates that she is CEO of Success International, a company that has been in the news lately as one of the fastest growing small businesses in the region. You are not surprised by this at all. Describe the characteristics that Jane possesses that have made her a successful entrepreneur.

# Module 9

Learning Outcome: Describe the primary functions, responsibilities, and skills of effective leadership and management

## Question 1

Managers serve an important role in helping businesses to achieve their goals and objectives. A manager’s job can be broken down into four primary functions. Identify and describe the four functions of management, including specific examples of the types of activities that are involved in each functional area.

## Question 2

Management theory has developed over time. Describe the contributions of Taylor, Gilbreth, and Fayol to the evolution of management theory.

# Module 10

Learning Outcome: Explain the common motivational theories and apply them to business

## Question 1

You manage a team of warehouse workers for your firm and they range in age from 21 to 60. They represent a wide range of ethnic backgrounds. Some are single, others divorced or married. Many have children; some have grandchildren and others have no children. How can you effectively motivate this broad range of employees?

## Question 2

### Part I

Draw and label Maslow’s hierarchy of needs.

### Part II

Explain what each level means in terms of employee motivation, giving specific examples of how each level in the hierarchy affects human motivation.

# Module 11

Learning Outcome: Explain the importance of teamwork and effective communication in a business environment

## Question 1

Effective communication is an essential component of a healthy business operation.

### Part I

What are the four main parts of communication?

### Part II

Describe three barriers of communication and how they influence each of the four communication components.

## Question 2

Marcie is the manager at We-B-Widgets, a manufacturing company started by her grandfather that has been passed down to her through the family. She wants to improve the efficiency of operations and have her employees take ownership of the Widgets they produce. As a result, Marcie has decided that she will establish self-directed work teams across the production process.

### Part I

Identify and describe the stages that Marcie’s teams will go through.

### Part II

Identify specific things that Marcie can do as a manager to help her teams be successful.

# Module 12

Learning Outcomes: Explain how operations management contributes to organizational success

## Question 1

Select one of the following products:

* monogrammed clothing
* donuts
* espresso machines

After you have selected a product, answer the following questions:

* Which production process would you use to make your selected product?
* Why do you believe this production process would be the best option?
* What are some of the advantages and disadvantages for the production process you selected?

## Question 2

Identify and describe three ways in which technology has transformed the production process in manufacturing during the last several decades. Specifically, how have such technologies affected quality, efficiency, and the labor force?

# Module 13

Learning Outcome: Explain the key components of the marketing function

## Question 1

Marketing plays a vital role in the success of every business.

### Part I

Explain each of the key roles of marketing.

### Part II

Give an example of how each role would be used by a car dealership to “find and keep” customers.

## Question 2

You have developed a glow-in-the-dark cell phone case you are hoping to bring to market. However, before moving forward with the production of your new product, you need to define your target market. Describe the 4-step process you would use to define your target market and provide examples specific to your product for each step.

# Module 14

Learning Outcome: Explain how organizations use the marketing mix to market to their target customers.

## Question 1

Your friend recently approached you with an idea for a new coat design. Her design idea is a winter coat that is waterproof and has gloves sewn onto the end of the sleeves. Your friend designed the coat when she noticed her elementary school students had a hard time finding their gloves and keeping them on. She has asked you for assistance in determining the potential product’s marketing mix so she has a better idea how to move forward with her idea.

### Part I

To help your friend, identify and define each of the marketing mix components.

### Part II

Provide ideas on how you believe her product will fit into each of the components.

## Question 2

Companies invest millions to develop, promote, and establish a brand.

### Part I

Define what a brand is.

### Part II

Explain the process of building a brand.

### Part III

Explain how brand equity contributes to a business’s success.

# Module 15

Learning Outcomes: Recognize the role of human resource management in planning, recruiting, and managing a workforce

## Question 1

Identify three laws that have had a major influence on labor-management relations, and discuss the major provisions of each law.

## Question 2

As the human resource manager for your company, your role is always expanding.

### Part I

What are the primary functions and responsibilities of a human resource manager?

### Part II

How does each function contribute to the overall success of the organization? Be specific in your examples and explanation.

# Module 16

Learning Outcome: Recognize sound accounting practices, and use financial statements and accounting principles to make informed judgments about an organization’s financial health

## Question 1

Identify four different consumers (users) of a company’s accounting information. For each of the four users you identify, answer the following questions:

* What do they use it for, and why do they find it helpful?
* What problems would arise if they weren’t provided with accurate and timely accounting information?

## Question 2

Financial accountants are responsible for preparing the company’s financial statements that will be used by owners, managers, external stakeholders, government taxing authorities, and potential investors. As a result, these three statements are considered an indicator of a business’s financial health. Identify the three key financial statements that corporations are required to prepare, and describe the type of information found on each.

# Module 17

Learning Outcome: Recognize the roles of data and information technology in supporting business operations

## Question 1

Your grandparents have owned and operated a small hardware store for over 30 years. While in town visiting them, you realize there are a variety of ways they can incorporate Business Intelligence (BI) to improve their business operations.

### Part I

Create a short synopsis for your grandparents to explain BI and how it can benefit their company.

### Part II

Provide two examples of BI they can implement and how these types of BI can positively impact their current operations.

## Question 2

Businesses collect a lot of information about their customers. From names to credit card information, there are a number of risks and challenges associated with keeping customer information secure. Select a company that has recently experienced a data breach.

### Part I

Describe the details surrounding the breach and explain company decisions or shortcomings that may have caused or influenced the security breach. Could the breach have been avoided?

### Part II

Finally, provide two suggestions you would give to customers to help them keep their information secure.