Chapter 01

Managers and Managing

**True / False Questions**

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| 1. | Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals.    True    False |

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| 2. | Management is the planning, organizing, leading, and controlling of resources in order to achieve organizational goals both effectively and efficiently.    True    False |

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| 3. | An organization’s resources include assets such as people and their skills, know-how, and experience.    True    False |

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| 4. | Organizations are effective when managers minimize the amount of input resources.    True    False |

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| 5. | Organizational performance is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.     True    False |

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| 6. | Efficiency is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.    True    False |

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| 7. | At a recent staff meeting, Jim was praised by his CEO for always choosing the right goals to pursue. The quality that Jim displays here is efficiency.    True    False |

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| 8. | Managers affect society directly with their decisions regarding the use of resources.    True    False |

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| 9. | Management teaches people not yet in positions of authority how to lead coworkers, solve conflicts between them, achieve team goals, and thus increase performance.    True    False |

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| 10. | The essential tasks of management include planning, organizing, leading, and controlling.    True    False |

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| 11. | Leading is the process that mangers use to select the goals for the organization.    True    False |

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| 12. | As a part of planning, managers establish accurate measuring and monitoring systems to evaluate how well the organization has achieved its goals.    True    False |

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| 13. | Strategies are a cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve these goals.    True    False |

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| 14. | Planning strategies is a simple and straightforward process, since it is done under circumstances when the result is known and assured.    True    False |

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| 15. | A low-cost strategy allows an organization to attract customers by selling goods of inferior quality at a very low price.    True    False |

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| 16. | Categorizing people according to their salary into various departments of an organization is known as organizing.    True    False |

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| 17. | During the planning process, managers lay out the lines of authority and responsibility between different individuals and groups.    True    False |

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| 18. | Managers engaged in the controlling function of management energize their employees and ensure they understand their role in achieving organizational goals.    True    False |

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| 19. | An outcome of the controlling function should be the ability to measure the organization's performance accurately.    True    False |

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| 20. | First-line managers are responsible for the daily supervision of the nonmanagerial employees who perform the specific activities necessary to produce goods and services.    True    False |

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| 21. | First-line managers typically supervise middle managers.    True    False |

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| 22. | Top managers are responsible for the performance of all departments.    True    False |

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| 23. | The importance of planning, organizing, leading, and controlling remains the same irrespective of a manager’s position in the managerial hierarchy.    True    False |

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| 24. | The amount of time that managers spend planning and organizing resources decreases as they ascend the hierarchy within the organization.    True    False |

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| 25. | The lower a manager's position is in the organization's hierarchy, the lesser time she spends in leading and controlling the first-line managers of the organization.    True    False |

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| 26. | The ability to distinguish between the cause and the effect of a problem in an organization is an important part of the technical skills of a manager.    True    False |

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| 27. | Top managers require the least conceptual skills because their primary responsibilities are planning and organizing.    True    False |

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| 28. | Human skills are innate and cannot be learned.    True    False |

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| 29. | The job-specific skills required to perform a particular type of work or occupation at a high level are called conceptual skills.    True    False |

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| 30. | The array of technical skills managers need depends on their position in their organizations.    True    False |

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| 31. | An organization's competitive advantage does not derive from departmental skills.    True    False |

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| 32. | Despite global competition and advances in information technology, the tasks and responsibilities of managers have undergone little change in recent years.    True    False |

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| 33. | Restructuring cannot be accomplished by reducing levels in the hierarchy.    True    False |

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| 34. | First-line managers are unlikely to be affected by restructuring.    True    False |

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| 35. | Modern IT’s ability to improve efficiency has decreased the incidence of downsizing in recent years.    True    False |

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| 36. | Restructuring boosts the morale of employees.    True    False |

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| 37. | Outsourcing hinders the development of new products.    True    False |

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| 38. | Empowering employees can lead to so many kinds of performance gains that organizations often use their reward systems to promote empowerment.    True    False |

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| 39. | IT cannot be used to empower employees as it decreases the scope of their job responsibilities.    True    False |

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| 40. | Employees involved in total quality management (TQM) are responsible for finding new and better ways to perform their jobs.    True    False |

**Multiple Choice Questions**

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| 41. | A(n) \_\_\_\_\_ is a collection of people who work together and coordinate their actions to achieve a wide variety of goals.      |  |  | | --- | --- | | A. | control group |  |  |  | | --- | --- | | B. | talent pool |  |  |  | | --- | --- | | C. | organization |  |  |  | | --- | --- | | D. | focus group |  |  |  | | --- | --- | | E. | quality circle | |

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| 42. | \_\_\_\_\_ is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.      |  |  | | --- | --- | | A. | Organizational input |  |  |  | | --- | --- | | B. | Diversification |  |  |  | | --- | --- | | C. | Organizational performance |  |  |  | | --- | --- | | D. | Product development |  |  |  | | --- | --- | | E. | Differentiation | |

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| 43. | Which of the following is true of organizational performance?      |  |  | | --- | --- | | A. | It increases with an increase in efficiency and effectiveness. |  |  |  | | --- | --- | | B. | It increases with a decrease in efficiency and effectiveness. |  |  |  | | --- | --- | | C. | It remains unchanged with a decrease in efficiency and effectiveness. |  |  |  | | --- | --- | | D. | It decreases with an increase in efficiency and effectiveness. |  |  |  | | --- | --- | | E. | It remains unchanged with an increase in efficiency and effectiveness. | |

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| 44. | The measure of how productively an organization uses its resources to achieve a goal is known as \_\_\_\_\_.      |  |  | | --- | --- | | A. | effectiveness |  |  |  | | --- | --- | | B. | product differentiation |  |  |  | | --- | --- | | C. | efficiency |  |  |  | | --- | --- | | D. | empowerment |  |  |  | | --- | --- | | E. | product development | |

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| 45. | The measure of the appropriateness of the goals selected by management for the organization and the degree to which the organization accomplishes these goals is known as \_\_\_\_\_.      |  |  | | --- | --- | | A. | efficiency |  |  |  | | --- | --- | | B. | task management |  |  |  | | --- | --- | | C. | effectiveness |  |  |  | | --- | --- | | D. | diversification |  |  |  | | --- | --- | | E. | differentiation | |

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| 46. | Oceania Unlimited Inc. is a tourism agency that offers special holiday packages in the Pacific region. Every year, as an incentive, the most efficient and effective manager in the network gets an all-expenses-paid trip to one of Oceania’s islands. Which of the following managers is most likely to meet these requirements?      |  |  | | --- | --- | | A. | Nico, who chooses the right goals to pursue, and spends more than he needs on resources |  |  |  | | --- | --- | | B. | Karen, who chooses the right goals to pursue, and makes clever use of resources to achieve them |  |  |  | | --- | --- | | C. | Douglas, who chooses the right goals to pursue and displays an overly rigid approach to planning |  |  |  | | --- | --- | | D. | Barrie, who chooses unrealistic goals, and tries hard to succeed |  |  |  | | --- | --- | | E. | Leo, who chooses appropriate goals, but is slow in decision making | |

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| 47. | Jack Sprouts Inc. is a company based in Riverdale that markets canned vegetables. In recent years, Jack Sprouts’ business has declined considerably owing to a weak focus on quality. Holding the managers responsible for the declining sales figures, the CEO of Jack Sprouts decided to lay off those who lacked effectiveness and were inefficient. Who among the following is most likely to be laid off by Jack Sprouts’ CEO?      |  |  | | --- | --- | | A. | Elise, who is ambitious and favors directional planning |  |  |  | | --- | --- | | B. | Kerry, who spends lavishly on resources and is averse to taking responsibilities |  |  |  | | --- | --- | | C. | Juan, who chooses appropriate goals to pursue but does not always succeed due to resource constraints |  |  |  | | --- | --- | | D. | Margo, who sets high targets for himself and his team, and makes best use of available resources to meet them |  |  |  | | --- | --- | | E. | Andy, who plans carefully and only chooses realistic goals to pursue | |

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| 48. | Emma is a highly efficient manager. This implies that she:      |  |  | | --- | --- | | A. | minimizes the amount of input resources without compromising quality. |  |  |  | | --- | --- | | B. | is slow to respond to change and perceives organizational change as harmful. |  |  |  | | --- | --- | | C. | does not favor flexibility in planning |  |  |  | | --- | --- | | D. | spends lavishly on resources. |  |  |  | | --- | --- | | E. | works for longer hours than do most of her colleagues. | |

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| 49. | Craig is a highly effective manager. This implies that he:      |  |  | | --- | --- | | A. | is likely to spend lavishly on resources. |  |  |  | | --- | --- | | B. | is highly compliant. |  |  |  | | --- | --- | | C. | disfavors employee empowerment. |  |  |  | | --- | --- | | D. | chooses appropriate goals and then achieves them. |  |  |  | | --- | --- | | E. | is overly ambitious. | |

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| 50. | A company with a high level of efficiency and effectiveness is most likely to produce:      |  |  | | --- | --- | | A. | a product that customers want, but that is too expensive for them to buy. |  |  |  | | --- | --- | | B. | a product that customers want at a quality and price they can afford. |  |  |  | | --- | --- | | C. | a product that is inexpensive and non-durable. |  |  |  | | --- | --- | | D. | a high-quality product that has limited utility for customers. |  |  |  | | --- | --- | | E. | a product that requires customers to invest in expensive service packages. | |

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| 51. | A company with a high level of efficiency and low level of effectiveness is most likely to produce:      |  |  | | --- | --- | | A. | a high-quality product that does not address the relevant market segment. |  |  |  | | --- | --- | | B. | a high-quality product that customers can afford. |  |  |  | | --- | --- | | C. | a low-quality product that customers do not want. |  |  |  | | --- | --- | | D. | a high-quality product that customers do not want. |  |  |  | | --- | --- | | E. | a high-quality product that the company makes a profit on. | |

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| 52. | A company with a low level of efficiency and high level of effectiveness is most likely to produce:      |  |  | | --- | --- | | A. | a product that customers want, but that is too expensive for them to buy. |  |  |  | | --- | --- | | B. | a product that customers want at a quality and price they can afford. |  |  |  | | --- | --- | | C. | a low-quality product that customers do not want. |  |  |  | | --- | --- | | D. | a high-quality product that customers do not want. |  |  |  | | --- | --- | | E. | a high-quality product that the company makes a profit on. | |

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| 53. | A company with a low level of efficiency and low level of effectiveness is most likely to produce:      |  |  | | --- | --- | | A. | a product that customers want, but that is too expensive for them to buy. |  |  |  | | --- | --- | | B. | a product that customers want at a quality and price they can afford. |  |  |  | | --- | --- | | C. | a low-quality product that customers do not want. |  |  |  | | --- | --- | | D. | a high-quality product that customers do not want. |  |  |  | | --- | --- | | E. | a high-quality product that the company makes a profit on. | |

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| 54. | Robert is the product manager at Digital Digs, LLC, a company that manufactures computer accessories. He is known for his effectiveness and efficiency, qualities that are highly regarded in the company where he works. Which of the following can be fittingly inferred with regard to Digital Digs?      |  |  | | --- | --- | | A. | Its products meet consumer needs, but are too expensive for them to buy. |  |  |  | | --- | --- | | B. | Its products meet consumer needs at a price they can afford. |  |  |  | | --- | --- | | C. | Its products are usually non-durable. |  |  |  | | --- | --- | | D. | Its products have limited utility. |  |  |  | | --- | --- | | E. | Its products are mostly complex in design. | |

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| 55. | The Art Hub makes and sells paintings, sculptures, and small craft items. Its products meet consumer needs, but are often too expensive to buy. Which of the following is most likely to be true with regard to the company?      |  |  | | --- | --- | | A. | It has a high level of efficiency and low level of effectiveness. |  |  |  | | --- | --- | | B. | It has a high level of effectiveness and low level of efficiency. |  |  |  | | --- | --- | | C. | Its product manager chooses the wrong goals to pursue and uses the resources inadequately. |  |  |  | | --- | --- | | D. | Its product manager chooses the right goals to pursue and uses the resources wisely. |  |  |  | | --- | --- | | E. | Its product manager chooses inappropriate goals to pursue, but uses the resources wisely. | |

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| 56. | Toy Town makes and sells jigsaw puzzles and strategy board games. Its products are of excellent quality, but fail to meet consumer needs. Which of the following is most likely to be true with regard to Toy Town?      |  |  | | --- | --- | | A. | It has a high level of efficiency and low level of effectiveness. |  |  |  | | --- | --- | | B. | It has a high level of effectiveness and low level of efficiency. |  |  |  | | --- | --- | | C. | Its product manager chooses the wrong goals to pursue and uses the resources inadequately. |  |  |  | | --- | --- | | D. | Its product manager chooses the right goals to pursue and uses the resources wisely. |  |  |  | | --- | --- | | E. | Its product manager responds quickly to change. | |

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| 57. | In which of the following managerial tasks do managers select appropriate goals for the organization?      |  |  | | --- | --- | | A. | Organizing |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | C. | Planning |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Restructuring | |

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| 58. | Which of the following does planning involve in an organization?      |  |  | | --- | --- | | A. | Establishing task relationships that allow people to work together |  |  |  | | --- | --- | | B. | Developing strategies for how to achieve high performance |  |  |  | | --- | --- | | C. | Motivating individuals to achieve organizational goals |  |  |  | | --- | --- | | D. | Establishing accurate measuring and monitoring systems |  |  |  | | --- | --- | | E. | Measuring how well the organization has achieved its goals | |

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| 59. | Which of the following is an element of planning?      |  |  | | --- | --- | | A. | Encouraging all employees to perform at a high level to help the organization achieve its vision and goals |  |  |  | | --- | --- | | B. | Using power, personality, and communication skills to coordinate the activities of people and groups |  |  |  | | --- | --- | | C. | Establishing alliances between different organizations to share resources and produce new goods and services |  |  |  | | --- | --- | | D. | Deciding which goals the organization will pursue and what strategies will achieve those goals |  |  |  | | --- | --- | | E. | Organizing people into departments according to the kinds of job-specific tasks they perform | |

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| 60. | Marietta is the product manager at Fireflies Ltd., a company that designs and manufactures clothes and fashion accessories. Noticing the rising popularity of rhinestone jewelry and the fact that only a handful of stores actually stocked it, she decided to take advantage of the latent demand in the market. Marietta knew that she was taking a risk by committing organizational resources to pursuing this idea, but was confident about the merit of her decision. In deciding the allocation of resources for attaining her goals, which managerial task can Marietta be said to be performing?      |  |  | | --- | --- | | A. | Leading |  |  |  | | --- | --- | | B. | Organizing |  |  |  | | --- | --- | | C. | Planning |  |  |  | | --- | --- | | D. | Restructuring |  |  |  | | --- | --- | | E. | Controlling | |

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| 61. | In which of the following managerial tasks are work relationships restructured to facilitate the interaction and cooperative efforts of organizational members, all of whom strive to achieve organizational goals?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | C. | Reviewing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Organizing | |

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| 62. | Melissa, the HR manager of a publishing house, has been asked to increase the level of efficiency at the workplace. She decides to restructure work relationships within the company and categorize people into departments according to the kinds of job-specific tasks they perform. Which of the following managerial tasks is Melissa performing?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | C. | Organizing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Consolidating | |

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| 63. | \_\_\_\_\_ involves encouraging all employees to perform at a high level to help the organization achieve its vision and goals.      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | C. | Reviewing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Organizing | |

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| 64. | Which of the following managerial tasks does a manager perform when he/she articulates a clear organizational vision for the organization’s members to accomplish?      |  |  | | --- | --- | | A. | Organizing |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | C. | Staffing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Planning | |

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| 65. | Which of the following tasks does a manager perform when he/she energizes employees and enables them to understand the part he/she plays in achieving organizational goals?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | C. | Controlling |  |  |  | | --- | --- | | D. | Monitoring |  |  |  | | --- | --- | | E. | Strategizing | |

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| 66. | \_\_\_\_\_ is the managerial task that involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so their activities and efforts are in harmony.      |  |  | | --- | --- | | A. | Leading |  |  |  | | --- | --- | | B. | Planning |  |  |  | | --- | --- | | C. | Strategizing |  |  |  | | --- | --- | | D. | Reviewing |  |  |  | | --- | --- | | E. | Controlling | |

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| 67. | In \_\_\_\_\_, managers evaluate how well the organization is accomplishing its goals.      |  |  | | --- | --- | | A. | leading |  |  |  | | --- | --- | | B. | planning |  |  |  | | --- | --- | | C. | organizing |  |  |  | | --- | --- | | D. | disseminating |  |  |  | | --- | --- | | E. | controlling | |

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| 68. | Controlling is the managerial task that involves:      |  |  | | --- | --- | | A. | deciding what organizational goals to pursue. |  |  |  | | --- | --- | | B. | obtaining customers by producing goods and services more cheaply than any competitor. |  |  |  | | --- | --- | | C. | taking any corrective actions needed to maintain or improve performance. |  |  |  | | --- | --- | | D. | using personality to establish equilibrium in the workplace. |  |  |  | | --- | --- | | E. | motivating people to perform at a high level. | |

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| 69. | The outcome of the control process is:      |  |  | | --- | --- | | A. | the ability to measure performance accurately and regulate organizational efficiency and effectiveness. |  |  |  | | --- | --- | | B. | the ability to formulate effective business strategies and plan the allocation of resources. |  |  |  | | --- | --- | | C. | the ability to attract customers by producing goods and services more cheaply than any competitor. |  |  |  | | --- | --- | | D. | the ability to motivate employees to perform at a high level. |  |  |  | | --- | --- | | E. | the ability to decide what organizational goals to pursue. | |

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| 70. | Daniel, a manager at Joe’s Fish Shack, monitors the performance of workers in his department to check if the quality of their work is meeting the performance standards of the company. In doing so, which managerial task is Daniel performing?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Staffing |  |  |  | | --- | --- | | C. | Organizing |  |  |  | | --- | --- | | D. | Structuring |  |  |  | | --- | --- | | E. | Controlling | |

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| 71. | Abby, the CEO of Little Angel Photography, reviews the performance of her company over the last quarter to determine whether they are meeting the planned sales and profitability goals. In this instance, which managerial task is she performing?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Organizing |  |  |  | | --- | --- | | C. | Delegating |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Structuring | |

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| 72. | According to Mintzberg’s typology, a manager who commits organizational resources to develop innovative goods and services is a(n) \_\_\_\_\_.      |  |  | | --- | --- | | A. | entrepreneur |  |  |  | | --- | --- | | B. | negotiator |  |  |  | | --- | --- | | C. | figurehead |  |  |  | | --- | --- | | D. | liaison |  |  |  | | --- | --- | | E. | disseminator | |

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| 73. | According to Mintzberg’s typology, a manager who establishes agreements with other organizations about pooling company resources while working on joint projects is a(n) \_\_\_\_\_.      |  |  | | --- | --- | | A. | figurehead |  |  |  | | --- | --- | | B. | entrepreneur |  |  |  | | --- | --- | | C. | monitor |  |  |  | | --- | --- | | D. | negotiator |  |  |  | | --- | --- | | E. | disseminator | |

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| 74. | According to Mintzberg’s typology, a manager who evaluates the performance of other managers in different tasks and takes corrective action to improve their performance is a \_\_\_\_\_.      |  |  | | --- | --- | | A. | disseminator |  |  |  | | --- | --- | | B. | figurehead |  |  |  | | --- | --- | | C. | monitor |  |  |  | | --- | --- | | D. | spokesperson |  |  |  | | --- | --- | | E. | negotiator | |

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| 75. | James, the manager of Andy’s Candy, a popular confectioner in Illinois, is in charge of outlining future organizational goals to employees at company meetings and emphasizing the ethical guidelines which employees are expected to follow at work. According to Mintzberg, he is performing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | A. | figurehead |  |  |  | | --- | --- | | B. | negotiator |  |  |  | | --- | --- | | C. | monitor |  |  |  | | --- | --- | | D. | liaison |  |  |  | | --- | --- | | E. | resource allocator | |

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| 76. | Following an oil spill in the Gulf of Mexico, the CEO of an American petroleum company took the responsibility for correcting the environmental damages caused by his company. According to Mintzberg’s typology, in doing so, he is performing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | A. | liaison |  |  |  | | --- | --- | | B. | disturbance handler |  |  |  | | --- | --- | | C. | monitor |  |  |  | | --- | --- | | D. | disseminator |  |  |  | | --- | --- | | E. | figurehead | |

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| 77. | When a manager informs employees about changes taking place in the external and internal environments that will affect them and the organization she plays the role of a(n) \_\_\_\_\_ according to Mintzberg.      |  |  | | --- | --- | | A. | entrepreneur |  |  |  | | --- | --- | | B. | disseminator |  |  |  | | --- | --- | | C. | disturbance handler |  |  |  | | --- | --- | | D. | monitor |  |  |  | | --- | --- | | E. | liaison | |

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| 78. | In an interview with a television channel, the Public Relations manager of KP Oil explained what his company intended to do to tackle the threat to marine life caused by an oil spill in the Pacific Ocean. The oil spill was caused by a tanker ship accident carrying crude oil for the company. According to Mintzberg, the PR manager of KP Oil is playing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | A. | liaison |  |  |  | | --- | --- | | B. | figurehead |  |  |  | | --- | --- | | C. | leader |  |  |  | | --- | --- | | D. | disseminator |  |  |  | | --- | --- | | E. | spokesperson | |

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| 79. | SkyGen, an airlines company, appointed an engineer to be the link between the company's R&D department and the government contractor who is sponsoring the designing and prototyping of a new fighter airplane. According to Mintzberg, the engineer appointed by SkyGen to be the link between the company's R&D department and the government contractor is playing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | A. | monitor |  |  |  | | --- | --- | | B. | leader |  |  |  | | --- | --- | | C. | figurehead |  |  |  | | --- | --- | | D. | resource allocator |  |  |  | | --- | --- | | E. | liaison | |

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| 80. | Supervisors are also referred to as \_\_\_\_\_.      |  |  | | --- | --- | | A. | first-line managers |  |  |  | | --- | --- | | B. | middle managers |  |  |  | | --- | --- | | C. | top managers |  |  |  | | --- | --- | | D. | interim managers |  |  |  | | --- | --- | | E. | executive managers | |

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| 81. | Which of the following is a characteristic of first-line managers?      |  |  | | --- | --- | | A. | They are responsible for finding the best way to organize human resources and other organizational assets. |  |  |  | | --- | --- | | B. | They evaluate whether the organization’s goals are appropriate. |  |  |  | | --- | --- | | C. | They are responsible for daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | D. | They instruct top managers on the suitability of organizational goals. |  |  |  | | --- | --- | | E. | They develop and fine-tune the skills and know how of middle managers. | |

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| 82. | Which of the following is true of first-line managers?      |  |  | | --- | --- | | A. | They are responsible for finding the best way to organize human and other resources to achieve organizational goals. |  |  |  | | --- | --- | | B. | They work in all departments or functions of an organization. |  |  |  | | --- | --- | | C. | They make specific decisions about the production of goods and services. |  |  |  | | --- | --- | | D. | They evaluate whether the organization’s goals are appropriate. |  |  |  | | --- | --- | | E. | They instruct top managers on the suitability of organizational goals. | |

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| 83. | Middle managers are responsible for:      |  |  | | --- | --- | | A. | the daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | B. | fine-tuning and developing the skills of top managers. |  |  |  | | --- | --- | | C. | the establishment of the organization’s goals and visions. |  |  |  | | --- | --- | | D. | finding the best way to use resources to achieve organizational goals. |  |  |  | | --- | --- | | E. | the creation of the top-management team. | |

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| 84. | Which of the following is a true of middle managers?      |  |  | | --- | --- | | A. | They are often called supervisors. |  |  |  | | --- | --- | | B. | They are responsible for daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | C. | They make specific decisions about the production of goods and services. |  |  |  | | --- | --- | | D. | They are responsible for the performance of all departments. |  |  |  | | --- | --- | | E. | They establish long-term organizational goals. | |

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| 85. | Which of the following is true of top managers?      |  |  | | --- | --- | | A. | They are often called supervisors. |  |  |  | | --- | --- | | B. | They are responsible for daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | C. | They spend more time leading and controlling than planning and organizing. |  |  |  | | --- | --- | | D. | They do not establish organizational goals. |  |  |  | | --- | --- | | E. | They have cross-departmental responsibility. | |

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| 86. | Which of the following is a primary concern of top managers?      |  |  | | --- | --- | | A. | Supervising nonmanagerial employees |  |  |  | | --- | --- | | B. | Training, motivating, and rewarding salespeople |  |  |  | | --- | --- | | C. | Developing and fine-tuning employee skills |  |  |  | | --- | --- | | D. | Supervising first-line managers |  |  |  | | --- | --- | | E. | Deciding which goods a company should produce | |

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| 87. | The ability to analyze and diagnose a situation and to distinguish between cause and effect is a:      |  |  | | --- | --- | | A. | human skill. |  |  |  | | --- | --- | | B. | negotiation skill. |  |  |  | | --- | --- | | C. | technical skill. |  |  |  | | --- | --- | | D. | conceptual skill. |  |  |  | | --- | --- | | E. | structural skill. | |

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| 88. | The general ability to understand, alter, lead, and control the behavior of other workers is a \_\_\_\_\_ skill.      |  |  | | --- | --- | | A. | conceptual |  |  |  | | --- | --- | | B. | human |  |  |  | | --- | --- | | C. | technical |  |  |  | | --- | --- | | D. | structural |  |  |  | | --- | --- | | E. | diagnostic | |

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| 89. | Bob was recently promoted to the position of manager of the engineering division in his company because of his knowledge and his ability to perform all the functions required in his field. In this instance, Bob was promoted because of his \_\_\_\_\_ skill.      |  |  | | --- | --- | | A. | conceptual |  |  |  | | --- | --- | | B. | planning |  |  |  | | --- | --- | | C. | human |  |  |  | | --- | --- | | D. | technical |  |  |  | | --- | --- | | E. | leading | |

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| 90. | Core competency is:      |  |  | | --- | --- | | A. | the specific set of departmental skills, knowledge, and experience that allows one organization to outperform another. |  |  |  | | --- | --- | | B. | the planning, organizing, leading, and controlling of human and other resources to achieve organizational goals efficiently and effectively. |  |  |  | | --- | --- | | C. | a measure of how efficiently and effectively a manager uses resources to satisfy customers and achieve organizational goals. |  |  |  | | --- | --- | | D. | a measure of the appropriateness of the goals an organization is pursuing and the degree to which the organization achieves those goals. |  |  |  | | --- | --- | | E. | the ability to analyze and diagnose a situation and to distinguish between cause and effect. | |

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| 91. | Owing to financial problems in the organization, the top management of an investment bank decided to reduce the number of middle managers by 10 percent. This is an example of \_\_\_\_\_.      |  |  | | --- | --- | | A. | insourcing |  |  |  | | --- | --- | | B. | restructuring |  |  |  | | --- | --- | | C. | task assessment |  |  |  | | --- | --- | | D. | empowerment |  |  |  | | --- | --- | | E. | delegation | |

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| 92. | Due to declining global sales, Makeown Ventures Inc. announced that it would lay off 12 percent of its existing workforce over the next few months. This is an example of:      |  |  | | --- | --- | | A. | task assessment. |  |  |  | | --- | --- | | B. | insourcing. |  |  |  | | --- | --- | | C. | restructuring. |  |  |  | | --- | --- | | D. | outsourcing. |  |  |  | | --- | --- | | E. | empowerment. | |

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| 93. | Which of the following is a consequence of restructuring?      |  |  | | --- | --- | | A. | Increase in the size of departments |  |  |  | | --- | --- | | B. | Increase in employee attrition |  |  |  | | --- | --- | | C. | Increase in hierarchical levels |  |  |  | | --- | --- | | D. | Increase in customer satisfaction |  |  |  | | --- | --- | | E. | Improvement in morale of employees | |

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| 94. | \_\_\_\_\_ involves contracting with another company, usually in a low-cost country abroad, to have it perform a work activity the organization previously performed itself, such as manufacturing, marketing, or customer service.      |  |  | | --- | --- | | A. | Empowering |  |  |  | | --- | --- | | B. | Outsourcing |  |  |  | | --- | --- | | C. | Stratifying |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Innovating | |

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| 95. | \_\_\_\_\_ is a management technique that involves giving employees more authority and responsibility over how they perform their work activities.       |  |  | | --- | --- | | A. | Restructuring |  |  |  | | --- | --- | | B. | Outsourcing |  |  |  | | --- | --- | | C. | Empowerment |  |  |  | | --- | --- | | D. | Departmentalization |  |  |  | | --- | --- | | E. | Insourcing | |

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| 96. | A group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities is known as a:      |  |  | | --- | --- | | A. | primary group. |  |  |  | | --- | --- | | B. | self-managed team. |  |  |  | | --- | --- | | C. | focus group. |  |  |  | | --- | --- | | D. | restructured team. |  |  |  | | --- | --- | | E. | functional team. | |

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| 97. | \_\_\_\_\_ is defined as the ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors.      |  |  | | --- | --- | | A. | Empowerment |  |  |  | | --- | --- | | B. | Competitive advantage |  |  |  | | --- | --- | | C. | Diversification |  |  |  | | --- | --- | | D. | Stratification |  |  |  | | --- | --- | | E. | Innovation | |

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| 98. | The four building blocks of \_\_\_\_\_ are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers.      |  |  | | --- | --- | | A. | empowerment |  |  |  | | --- | --- | | B. | competitive advantage |  |  |  | | --- | --- | | C. | diversification |  |  |  | | --- | --- | | D. | stratification |  |  |  | | --- | --- | | E. | managerial control | |

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| 99. | \_\_\_\_\_ is the creation of a new vision for a struggling company using a new approach to planning and organizing to make better use of a company’s resources and allow it to survive and eventually prosper.      |  |  | | --- | --- | | A. | Total quality management |  |  |  | | --- | --- | | B. | Task management |  |  |  | | --- | --- | | C. | Talent management |  |  |  | | --- | --- | | D. | Turnaround management |  |  |  | | --- | --- | | E. | Workforce management | |

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| 100. | The process of creating new products that customers want is called:      |  |  | | --- | --- | | A. | market segmentation. |  |  |  | | --- | --- | | B. | total quality management. |  |  |  | | --- | --- | | C. | cost control. |  |  |  | | --- | --- | | D. | innovation. |  |  |  | | --- | --- | | E. | restructuring. | |

**Essay Questions**

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| 101. | Distinguish between efficiency and effectiveness and explain how they impact the performance of an organization. |

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| 102. | Briefly discuss the four principal managerial tasks. |

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| 103. | What are the three steps in the planning process? |

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| 104. | What are the different levels of management? Explain the basic responsibilities of each. |

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| 105. | List and briefly explain the three different kinds of managerial skills. |

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| 106. | What is core competency? How is it related to competitive advantage? |

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| 107. | Discuss the importance of technical skills. |

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| 108. | Define restructuring. Discuss the positive and negative effects of restructuring. |

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| 109. | What are the four building blocks of competitive advantage? How can organizations increase their efficiency and productivity? |

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| 110. | Discuss the challenges faced by managers in today’s competitive global environment. |

Chapter 01 Managers and Managing Answer Key

**True / False Questions**

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| 1. | Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals.    **TRUE**  Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 2. | Management is the planning, organizing, leading, and controlling of resources in order to achieve organizational goals both effectively and efficiently.    **TRUE**  Management is the planning, organizing, leading, and controlling of resources in order to achieve organizational goals both effectively and efficiently. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 3. | An organization’s resources include assets such as people and their skills, know-how, and experience.    **TRUE**  An organization’s resources include assets such as people and their skills, know-how, and experience; machinery; raw materials; computers and information technology; and patents, financial capital, and loyal customers and employees. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 4. | Organizations are effective when managers minimize the amount of input resources.    **FALSE**  Organizations are efficient when managers minimize the amount of input resources. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 5. | Organizational performance is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.     **TRUE** |

Organizational performance is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 6. | Efficiency is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals.    **FALSE**  Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 7. | At a recent staff meeting, Jim was praised by his CEO for always choosing the right goals to pursue. The quality that Jim displays here is efficiency.    **FALSE**  Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 8. | Managers affect society directly with their decisions regarding the use of resources.    **TRUE**  Because managers decide how to use many of a society’s most valuable resources—its skilled employees, raw materials like oil and land, computers and information systems, and financial assets—they directly impact the well-being of a society and the people in it. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 9. | Management teaches people not yet in positions of authority how to lead coworkers, solve conflicts between them, achieve team goals, and thus increase performance.    **TRUE**  Management teaches people not yet in positions of authority how to lead coworkers, solve conflicts between them, achieve team goals, and thus increase performance. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 3 Hard Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 10. | The essential tasks of management include planning, organizing, leading, and controlling.    **TRUE**  The essential tasks of management include planning, organizing, leading, and controlling. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 11. | Leading is the process that mangers use to select the goals for the organization.    **FALSE**  To perform the planning task, managers identify and select appropriate organizational goals and courses of action. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 12. | As a part of planning, managers establish accurate measuring and monitoring systems to evaluate how well the organization has achieved its goals.    **FALSE**  As a part of planning, managers choose appropriate organizational goals and courses of action to best achieve those goals. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: What is Management?* |

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| 13. | Strategies are a cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve these goals.    **TRUE**   Strategies are a cluster of decisions concerning what organizational goals to pursue, what actions to take, and how to use resources to achieve these goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: What is Management?* |

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| 14. | Planning strategies is a simple and straightforward process, since it is done under circumstances when the result is known and assured.    **FALSE**  Planning strategy is complex and difficult, especially because planning is done under uncertainty when the result is unknown so that either success or failure is a possible outcome of the planning process. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 15. | A low-cost strategy allows an organization to attract customers by selling goods of inferior quality at a very low price.    **FALSE**  A low-cost strategy is a way of obtaining customers by making decisions that allow an organization to produce goods or services more cheaply than its competitors so it can charge lower prices than they do. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 16. | Categorizing people according to their salary into various departments of an organization is known as organizing.    **FALSE**  Organizing people into departments according to the kinds of job-specific tasks they perform lays out the lines of authority and responsibility between different individuals and groups. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 17. | During the planning process, managers lay out the lines of authority and responsibility between different individuals and groups.    **FALSE**  Organizing people into departments according to the kinds of job-specific tasks they perform lays out the lines of authority and responsibility between different individuals and groups. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 18. | Managers engaged in the controlling function of management energize their employees and ensure they understand their role in achieving organizational goals.    **FALSE**  Leading involves articulating a clear vision and energizing and enabling organizational members so they understand the part they play in achieving organizational goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 19. | An outcome of the controlling function should be the ability to measure the organization's performance accurately.    **TRUE**  In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 20. | First-line managers are responsible for the daily supervision of the nonmanagerial employees who perform the specific activities necessary to produce goods and services.    **TRUE**  First-line managers are responsible for daily supervision of the nonmanagerial employees who perform the specific activities necessary to produce goods and services. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers Topic: Levels of Management* |

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| 21. | First-line managers typically supervise middle managers.    **FALSE**  Supervising the first-line managers are middle managers, responsible for finding the best way to organize human and other resources to achieve organizational goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 22. | Top managers are responsible for the performance of all departments.    **TRUE**  Top managers are responsible for the performance of all departments. They have cross-departmental responsibility. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 23. | The importance of planning, organizing, leading, and controlling remains the same irrespective of a manager’s position in the managerial hierarchy.    **FALSE**  The relative importance of planning, organizing, leading, and controlling—the four principal managerial tasks—to any particular manager depends on the manager’s position in the managerial hierarchy. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 24. | The amount of time that managers spend planning and organizing resources decreases as they ascend the hierarchy within the organization.    **FALSE**  The amount of time managers spend planning and organizing resources to maintain and improve organizational performance increases as they ascend the hierarchy. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 25. | The lower a manager's position is in the organization's hierarchy, the lesser time she spends in leading and controlling the first-line managers of the organization.    **FALSE**  The lower a manager’s position is in the hierarchy, the more time she spends in leading and controlling first-line managers or nonmanagerial employees. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 26. | The ability to distinguish between the cause and the effect of a problem in an organization is an important part of the technical skills of a manager.    **FALSE**  The ability to distinguish between the cause and the effect of a problem in an organization is an important part of the conceptual skills of a manager. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 27. | Top managers require the least conceptual skills because their primary responsibilities are planning and organizing.    **FALSE**  Top managers require the best conceptual skills because their primary responsibilities are planning and organizing. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 28. | Human skills are innate and cannot be learned.    **FALSE**  Human skills can be learned through education and training, as well as be developed through experience. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 29. | The job-specific skills required to perform a particular type of work or occupation at a high level are called conceptual skills.    **FALSE**  Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 30. | The array of technical skills managers need depends on their position in their organizations.    **TRUE**  Managers need a range of technical skills to be effective. The array of technical skills managers need depends on their position in their organizations. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 31. | An organization's competitive advantage does not derive from departmental skills.    **FALSE**  Today the term core competency is often used to refer to the specific set of departmental skills, knowledge, and experience that allows one organization to outperform its competitors. In other words, departmental skills that create a core competency give an organization a competitive advantage. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 32. | Despite global competition and advances in information technology, the tasks and responsibilities of managers have undergone little change in recent years.    **FALSE**  The tasks and responsibilities of managers have been changing dramatically in recent years. Two major factors that have led to these changes are global competition and advances in information technology (IT). |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 33. | Restructuring cannot be accomplished by reducing levels in the hierarchy.    **FALSE**  Restructuring can be done by eliminating product teams, shrinking departments, and reducing levels in the hierarchy, all of which result in the loss of large numbers of jobs of top, middle, or first-line managers, as well as nonmanagerial employees. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 34. | First-line managers are unlikely to be affected by restructuring.    **FALSE**  Restructuring can be done by eliminating product teams, shrinking departments, and reducing levels in the hierarchy, all of which result in the loss of large numbers of jobs of top, middle, or first-line managers, as well as nonmanagerial employees. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 35. | Modern IT’s ability to improve efficiency has decreased the incidence of downsizing in recent years.    **FALSE**  Modern IT’s ability to improve efficiency has increased the amount of downsizing in recent years because IT makes it possible for fewer employees to perform a given task. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT). Topic: Recent Changes in Management Practices* |

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| 36. | Restructuring boosts the morale of employees.    **FALSE**  Restructuring can produce some powerful negative outcomes. It can reduce the morale of remaining employees, who worry about their own job security. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 37. | Outsourcing hinders the development of new products.    **FALSE**  Outsourcing increases efficiency because it lowers operating costs, freeing up money and resources that can be used in more effective ways—for example, to develop new products. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT). Topic: Recent Changes in Management Practices* |

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| 38. | Empowering employees can lead to so many kinds of performance gains that organizations often use their reward systems to promote empowerment.    **TRUE**  Often companies find that empowering employees can lead to so many kinds of performance gains that they use their reward systems to promote empowerment. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT). Topic: Recent Changes in Management Practices* |

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| 39. | IT cannot be used to empower employees as it decreases the scope of their job responsibilities.    **FALSE**  IT is being increasingly used to empower employees because it expands employees’ job knowledge and increases the scope of their job responsibilities. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT). Topic: Recent Changes in Management Practices* |

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| 40. | Employees involved in total quality management (TQM) are responsible for finding new and better ways to perform their jobs.    **TRUE**  Employees involved in TQM are often organized into quality control teams and are responsible for finding new and better ways to perform their jobs; they also must monitor and evaluate the quality of the goods they produce. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment. Topic: Challenges for Management in a Global Environment* |

**Multiple Choice Questions**

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| 41. | A(n) \_\_\_\_\_ is a collection of people who work together and coordinate their actions to achieve a wide variety of goals.      |  |  | | --- | --- | | A. | control group |  |  |  | | --- | --- | | B. | talent pool |  |  |  | | --- | --- | | **C.** | organization |  |  |  | | --- | --- | | D. | focus group |  |  |  | | --- | --- | | E. | quality circle |   Organizations are collections of people who work together and coordinate their actions to achieve a wide variety of goals or desired future outcomes. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 42. | \_\_\_\_\_ is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals.      |  |  | | --- | --- | | A. | Organizational input |  |  |  | | --- | --- | | B. | Diversification |  |  |  | | --- | --- | | **C.** | Organizational performance |  |  |  | | --- | --- | | D. | Product development |  |  |  | | --- | --- | | E. | Differentiation |   Organizational performance is a measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 43. | Which of the following is true of organizational performance?      |  |  | | --- | --- | | **A.** | It increases with an increase in efficiency and effectiveness. |  |  |  | | --- | --- | | B. | It increases with a decrease in efficiency and effectiveness. |  |  |  | | --- | --- | | C. | It remains unchanged with a decrease in efficiency and effectiveness. |  |  |  | | --- | --- | | D. | It decreases with an increase in efficiency and effectiveness. |  |  |  | | --- | --- | | E. | It remains unchanged with an increase in efficiency and effectiveness. |   Organizational performance increases in direct proportion to increases in efficiency and effectiveness. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 44. | The measure of how productively an organization uses its resources to achieve a goal is known as \_\_\_\_\_.      |  |  | | --- | --- | | A. | effectiveness |  |  |  | | --- | --- | | B. | product differentiation |  |  |  | | --- | --- | | **C.** | efficiency |  |  |  | | --- | --- | | D. | empowerment |  |  |  | | --- | --- | | E. | product development |   A measure of how well or how productively resources are used to achieve a goal is known as efficiency. Organizations are efficient when managers minimize the amount of input resources. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 45. | The measure of the appropriateness of the goals selected by management for the organization and the degree to which the organization accomplishes these goals is known as \_\_\_\_\_.      |  |  | | --- | --- | | A. | efficiency |  |  |  | | --- | --- | | B. | task management |  |  |  | | --- | --- | | **C.** | effectiveness |  |  |  | | --- | --- | | D. | diversification |  |  |  | | --- | --- | | E. | differentiation |   Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 46. | Oceania Unlimited Inc. is a tourism agency that offers special holiday packages in the Pacific region. Every year, as an incentive, the most efficient and effective manager in the network gets an all-expenses-paid trip to one of Oceania’s islands. Which of the following managers is most likely to meet these requirements?      |  |  | | --- | --- | | A. | Nico, who chooses the right goals to pursue, and spends more than he needs on resources |  |  |  | | --- | --- | | **B.** | Karen, who chooses the right goals to pursue, and makes clever use of resources to achieve them |  |  |  | | --- | --- | | C. | Douglas, who chooses the right goals to pursue and displays an overly rigid approach to planning |  |  |  | | --- | --- | | D. | Barrie, who chooses unrealistic goals, and tries hard to succeed |  |  |  | | --- | --- | | E. | Leo, who chooses appropriate goals, but is slow in decision making |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals |

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| *AACSB: Reflective Thinking Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 47. | Jack Sprouts Inc. is a company based in Riverdale that markets canned vegetables. In recent years, Jack Sprouts’ business has declined considerably owing to a weak focus on quality. Holding the managers responsible for the declining sales figures, the CEO of Jack Sprouts decided to lay off those who lacked effectiveness and were inefficient. Who among the following is most likely to be laid off by Jack Sprouts’ CEO?      |  |  | | --- | --- | | A. | Elise, who is ambitious and favors directional planning |  |  |  | | --- | --- | | **B.** | Kerry, who spends lavishly on resources and is averse to taking responsibilities |  |  |  | | --- | --- | | C. | Juan, who chooses appropriate goals to pursue but does not always succeed due to resource constraints |  |  |  | | --- | --- | | D. | Margo, who sets high targets for himself and his team, and makes best use of available resources to meet them |  |  |  | | --- | --- | | E. | Andy, who plans carefully and only chooses realistic goals to pursue |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Reflective Thinking Difficulty: 3 Hard Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 48. | Emma is a highly efficient manager. This implies that she:      |  |  | | --- | --- | | **A.** | minimizes the amount of input resources without compromising quality. |  |  |  | | --- | --- | | B. | is slow to respond to change and perceives organizational change as harmful. |  |  |  | | --- | --- | | C. | does not favor flexibility in planning |  |  |  | | --- | --- | | D. | spends lavishly on resources. |  |  |  | | --- | --- | | E. | works for longer hours than do most of her colleagues. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 49. | Craig is a highly effective manager. This implies that he:      |  |  | | --- | --- | | A. | is likely to spend lavishly on resources. |  |  |  | | --- | --- | | B. | is highly compliant. |  |  |  | | --- | --- | | C. | disfavors employee empowerment. |  |  |  | | --- | --- | | **D.** | chooses appropriate goals and then achieves them. |  |  |  | | --- | --- | | E. | is overly ambitious. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 50. | A company with a high level of efficiency and effectiveness is most likely to produce:      |  |  | | --- | --- | | A. | a product that customers want, but that is too expensive for them to buy. |  |  |  | | --- | --- | | **B.** | a product that customers want at a quality and price they can afford. |  |  |  | | --- | --- | | C. | a product that is inexpensive and non-durable. |  |  |  | | --- | --- | | D. | a high-quality product that has limited utility for customers. |  |  |  | | --- | --- | | E. | a product that requires customers to invest in expensive service packages. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 51. | A company with a high level of efficiency and low level of effectiveness is most likely to produce:      |  |  | | --- | --- | | A. | a high-quality product that does not address the relevant market segment. |  |  |  | | --- | --- | | B. | a high-quality product that customers can afford. |  |  |  | | --- | --- | | C. | a low-quality product that customers do not want. |  |  |  | | --- | --- | | **D.** | a high-quality product that customers do not want. |  |  |  | | --- | --- | | E. | a high-quality product that the company makes a profit on. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: What is Management?* |

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| 52. | A company with a low level of efficiency and high level of effectiveness is most likely to produce:      |  |  | | --- | --- | | **A.** | a product that customers want, but that is too expensive for them to buy. |  |  |  | | --- | --- | | B. | a product that customers want at a quality and price they can afford. |  |  |  | | --- | --- | | C. | a low-quality product that customers do not want. |  |  |  | | --- | --- | | D. | a high-quality product that customers do not want. |  |  |  | | --- | --- | | E. | a high-quality product that the company makes a profit on. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| 53. | A company with a low level of efficiency and low level of effectiveness is most likely to produce:      |  |  | | --- | --- | | A. | a product that customers want, but that is too expensive for them to buy. |  |  |  | | --- | --- | | B. | a product that customers want at a quality and price they can afford. |  |  |  | | --- | --- | | **C.** | a low-quality product that customers do not want. |  |  |  | | --- | --- | | D. | a high-quality product that customers do not want. |  |  |  | | --- | --- | | E. | a high-quality product that the company makes a profit on. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| 54. | Robert is the product manager at Digital Digs, LLC, a company that manufactures computer accessories. He is known for his effectiveness and efficiency, qualities that are highly regarded in the company where he works. Which of the following can be fittingly inferred with regard to Digital Digs?      |  |  | | --- | --- | | A. | Its products meet consumer needs, but are too expensive for them to buy. |  |  |  | | --- | --- | | **B.** | Its products meet consumer needs at a price they can afford. |  |  |  | | --- | --- | | C. | Its products are usually non-durable. |  |  |  | | --- | --- | | D. | Its products have limited utility. |  |  |  | | --- | --- | | E. | Its products are mostly complex in design. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| 55. | The Art Hub makes and sells paintings, sculptures, and small craft items. Its products meet consumer needs, but are often too expensive to buy. Which of the following is most likely to be true with regard to the company?      |  |  | | --- | --- | | A. | It has a high level of efficiency and low level of effectiveness. |  |  |  | | --- | --- | | **B.** | It has a high level of effectiveness and low level of efficiency. |  |  |  | | --- | --- | | C. | Its product manager chooses the wrong goals to pursue and uses the resources inadequately. |  |  |  | | --- | --- | | D. | Its product manager chooses the right goals to pursue and uses the resources wisely. |  |  |  | | --- | --- | | E. | Its product manager chooses inappropriate goals to pursue, but uses the resources wisely. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| 56. | Toy Town makes and sells jigsaw puzzles and strategy board games. Its products are of excellent quality, but fail to meet consumer needs. Which of the following is most likely to be true with regard to Toy Town?      |  |  | | --- | --- | | **A.** | It has a high level of efficiency and low level of effectiveness. |  |  |  | | --- | --- | | B. | It has a high level of effectiveness and low level of efficiency. |  |  |  | | --- | --- | | C. | Its product manager chooses the wrong goals to pursue and uses the resources inadequately. |  |  |  | | --- | --- | | D. | Its product manager chooses the right goals to pursue and uses the resources wisely. |  |  |  | | --- | --- | | E. | Its product manager responds quickly to change. |   Efficiency is a measure of how productively resources are used to achieve a goal. Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. |

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| 57. | In which of the following managerial tasks do managers select appropriate goals for the organization?      |  |  | | --- | --- | | A. | Organizing |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | **C.** | Planning |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Restructuring |   To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance. |

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| 58. | Which of the following does planning involve in an organization?      |  |  | | --- | --- | | A. | Establishing task relationships that allow people to work together |  |  |  | | --- | --- | | **B.** | Developing strategies for how to achieve high performance |  |  |  | | --- | --- | | C. | Motivating individuals to achieve organizational goals |  |  |  | | --- | --- | | D. | Establishing accurate measuring and monitoring systems |  |  |  | | --- | --- | | E. | Measuring how well the organization has achieved its goals |   To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance. |

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| 59. | Which of the following is an element of planning?      |  |  | | --- | --- | | A. | Encouraging all employees to perform at a high level to help the organization achieve its vision and goals |  |  |  | | --- | --- | | B. | Using power, personality, and communication skills to coordinate the activities of people and groups |  |  |  | | --- | --- | | C. | Establishing alliances between different organizations to share resources and produce new goods and services |  |  |  | | --- | --- | | **D.** | Deciding which goals the organization will pursue and what strategies will achieve those goals |  |  |  | | --- | --- | | E. | Organizing people into departments according to the kinds of job-specific tasks they perform |   To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance. The three steps involved in planning are (1) deciding which goals the organization will pursue, (2) deciding what strategies to adopt to attain those goals, and (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals. How well managers plan and develop strategies determines how effective and efficient the organization is—its performance level. |

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| 60. | Marietta is the product manager at Fireflies Ltd., a company that designs and manufactures clothes and fashion accessories. Noticing the rising popularity of rhinestone jewelry and the fact that only a handful of stores actually stocked it, she decided to take advantage of the latent demand in the market. Marietta knew that she was taking a risk by committing organizational resources to pursuing this idea, but was confident about the merit of her decision. In deciding the allocation of resources for attaining her goals, which managerial task can Marietta be said to be performing?      |  |  | | --- | --- | | A. | Leading |  |  |  | | --- | --- | | B. | Organizing |  |  |  | | --- | --- | | **C.** | Planning |  |  |  | | --- | --- | | D. | Restructuring |  |  |  | | --- | --- | | E. | Controlling |   The three steps involved in planning are (1) deciding which goals the organization will pursue, (2) deciding what strategies to adopt to attain those goals, and (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals. |

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| 61. | In which of the following managerial tasks are work relationships restructured to facilitate the interaction and cooperative efforts of organizational members, all of whom strive to achieve organizational goals?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | C. | Reviewing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | **E.** | Organizing |   Organizing is structuring working relationships so organizational members interact and cooperate to achieve organizational goals. Organizing people into departments according to the kinds of job-specific tasks they perform lays out the lines of authority and responsibility between different individuals and groups. |

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| 62. | Melissa, the HR manager of a publishing house, has been asked to increase the level of efficiency at the workplace. She decides to restructure work relationships within the company and categorize people into departments according to the kinds of job-specific tasks they perform. Which of the following managerial tasks is Melissa performing?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Leading |  |  |  | | --- | --- | | **C.** | Organizing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Consolidating |   Organizing is structuring working relationships so organizational members interact and cooperate to achieve organizational goals. Organizing people into departments according to the kinds of job-specific tasks they perform lays out the lines of authority and responsibility between different individuals and groups. |

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| 63. | \_\_\_\_\_ involves encouraging all employees to perform at a high level to help the organization achieve its vision and goals.      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | **B.** | Leading |  |  |  | | --- | --- | | C. | Reviewing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Organizing |   In leading, managers articulate a clear organizational vision for the organization’s members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals. Leadership revolves around encouraging all employees to perform at a high level to help the organization achieve its vision and goals. |

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| 64. | Which of the following managerial tasks does a manager perform when he/she articulates a clear organizational vision for the organization’s members to accomplish?      |  |  | | --- | --- | | A. | Organizing |  |  |  | | --- | --- | | **B.** | Leading |  |  |  | | --- | --- | | C. | Staffing |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Planning |   In leading, managers articulate a clear organizational vision for the organization’s members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals. |

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| 65. | Which of the following tasks does a manager perform when he/she energizes employees and enables them to understand the part he/she plays in achieving organizational goals?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | **B.** | Leading |  |  |  | | --- | --- | | C. | Controlling |  |  |  | | --- | --- | | D. | Monitoring |  |  |  | | --- | --- | | E. | Strategizing |   In leading, managers articulate a clear organizational vision for the organization's members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals. |

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| 66. | \_\_\_\_\_ is the managerial task that involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so their activities and efforts are in harmony.      |  |  | | --- | --- | | **A.** | Leading |  |  |  | | --- | --- | | B. | Planning |  |  |  | | --- | --- | | C. | Strategizing |  |  |  | | --- | --- | | D. | Reviewing |  |  |  | | --- | --- | | E. | Controlling |   Leadership involves managers using their power, personality, influence, persuasion, and communication skills to coordinate people and groups so their activities and efforts are in harmony. |

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| 67. | In \_\_\_\_\_, managers evaluate how well the organization is accomplishing its goals.      |  |  | | --- | --- | | A. | leading |  |  |  | | --- | --- | | B. | planning |  |  |  | | --- | --- | | C. | organizing |  |  |  | | --- | --- | | D. | disseminating |  |  |  | | --- | --- | | **E.** | controlling |   In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance. |

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| 68. | Controlling is the managerial task that involves:      |  |  | | --- | --- | | A. | deciding what organizational goals to pursue. |  |  |  | | --- | --- | | B. | obtaining customers by producing goods and services more cheaply than any competitor. |  |  |  | | --- | --- | | **C.** | taking any corrective actions needed to maintain or improve performance. |  |  |  | | --- | --- | | D. | using personality to establish equilibrium in the workplace. |  |  |  | | --- | --- | | E. | motivating people to perform at a high level. |   In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance. |

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| 69. | The outcome of the control process is:      |  |  | | --- | --- | | **A.** | the ability to measure performance accurately and regulate organizational efficiency and effectiveness. |  |  |  | | --- | --- | | B. | the ability to formulate effective business strategies and plan the allocation of resources. |  |  |  | | --- | --- | | C. | the ability to attract customers by producing goods and services more cheaply than any competitor. |  |  |  | | --- | --- | | D. | the ability to motivate employees to perform at a high level. |  |  |  | | --- | --- | | E. | the ability to decide what organizational goals to pursue. |   The outcome of the control process is the ability to measure performance accurately and regulate organizational efficiency and effectiveness. To exercise control, managers must decide which goals to measure. |

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| 70. | Daniel, a manager at Joe’s Fish Shack, monitors the performance of workers in his department to check if the quality of their work is meeting the performance standards of the company. In doing so, which managerial task is Daniel performing?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Staffing |  |  |  | | --- | --- | | C. | Organizing |  |  |  | | --- | --- | | D. | Structuring |  |  |  | | --- | --- | | **E.** | Controlling |   In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance. Managers monitor the performance of individuals, departments, and the organization as a whole to see whether they are meeting desired performance standards. |

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| 71. | Abby, the CEO of Little Angel Photography, reviews the performance of her company over the last quarter to determine whether they are meeting the planned sales and profitability goals. In this instance, which managerial task is she performing?      |  |  | | --- | --- | | A. | Planning |  |  |  | | --- | --- | | B. | Organizing |  |  |  | | --- | --- | | C. | Delegating |  |  |  | | --- | --- | | **D.** | Controlling |  |  |  | | --- | --- | | E. | Structuring |   In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance. |

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| 72. | According to Mintzberg’s typology, a manager who commits organizational resources to develop innovative goods and services is a(n) \_\_\_\_\_.      |  |  | | --- | --- | | **A.** | entrepreneur |  |  |  | | --- | --- | | B. | negotiator |  |  |  | | --- | --- | | C. | figurehead |  |  |  | | --- | --- | | D. | liaison |  |  |  | | --- | --- | | E. | disseminator |   According to Henry Mintzberg, a manager who commits organizational resources to develop innovative goods and services is an entrepreneur. |

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| 73. | According to Mintzberg’s typology, a manager who establishes agreements with other organizations about pooling company resources while working on joint projects is a(n) \_\_\_\_\_.      |  |  | | --- | --- | | A. | figurehead |  |  |  | | --- | --- | | B. | entrepreneur |  |  |  | | --- | --- | | C. | monitor |  |  |  | | --- | --- | | **D.** | negotiator |  |  |  | | --- | --- | | E. | disseminator |   According to Henry Mintzberg, a manager who works with other organizations to establish agreements to pool resources to work on joint projects is a negotiator. |

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| 74. | According to Mintzberg’s typology, a manager who evaluates the performance of other managers in different tasks and takes corrective action to improve their performance is a \_\_\_\_\_.      |  |  | | --- | --- | | A. | disseminator |  |  |  | | --- | --- | | B. | figurehead |  |  |  | | --- | --- | | **C.** | monitor |  |  |  | | --- | --- | | D. | spokesperson |  |  |  | | --- | --- | | E. | negotiator |   Henry Mintzberg described a manager who evaluates the performance of other managers in different tasks and takes corrective action to improve their performance as a monitor. |

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| 75. | James, the manager of Andy’s Candy, a popular confectioner in Illinois, is in charge of outlining future organizational goals to employees at company meetings and emphasizing the ethical guidelines which employees are expected to follow at work. According to Mintzberg, he is performing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | **A.** | figurehead |  |  |  | | --- | --- | | B. | negotiator |  |  |  | | --- | --- | | C. | monitor |  |  |  | | --- | --- | | D. | liaison |  |  |  | | --- | --- | | E. | resource allocator |   A manager who demonstrates the role of a figurehead outlines future organizational goals to employees at company meetings, opens a new corporate headquarters building, and states the organization’s ethical guidelines and the principles of behavior employees are to follow in their dealings with customers and suppliers. |

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| 76. | Following an oil spill in the Gulf of Mexico, the CEO of an American petroleum company took the responsibility for correcting the environmental damages caused by his company. According to Mintzberg’s typology, in doing so, he is performing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | A. | liaison |  |  |  | | --- | --- | | **B.** | disturbance handler |  |  |  | | --- | --- | | C. | monitor |  |  |  | | --- | --- | | D. | disseminator |  |  |  | | --- | --- | | E. | figurehead |   According to Mintzberg’s typology, a disturbance handler moves quickly to take corrective action to deal with unexpected problems facing the organization from the external environment, such as a crisis like an oil spill, or from the internal environment, such as producing faulty goods or services. |

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| *AACSB: Reflective Thinking Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 77. | When a manager informs employees about changes taking place in the external and internal environments that will affect them and the organization she plays the role of a(n) \_\_\_\_\_ according to Mintzberg.      |  |  | | --- | --- | | A. | entrepreneur |  |  |  | | --- | --- | | **B.** | disseminator |  |  |  | | --- | --- | | C. | disturbance handler |  |  |  | | --- | --- | | D. | monitor |  |  |  | | --- | --- | | E. | liaison |   According to Mintzberg, a manager who plays the role of a disseminator, informs employees about changes taking place in the external and internal environments that will affect them and the organization and communicates to employees the organization’s vision and purpose. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 78. | In an interview with a television channel, the Public Relations manager of KP Oil explained what his company intended to do to tackle the threat to marine life caused by an oil spill in the Pacific Ocean. The oil spill was caused by a tanker ship accident carrying crude oil for the company. According to Mintzberg, the PR manager of KP Oil is playing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | A. | liaison |  |  |  | | --- | --- | | B. | figurehead |  |  |  | | --- | --- | | C. | leader |  |  |  | | --- | --- | | D. | disseminator |  |  |  | | --- | --- | | **E.** | spokesperson |   According to Mintzberg, a spokesperson gives a speech to inform the local community about the organization’s future intentions. |

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| *AACSB: Reflective Thinking Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 79. | SkyGen, an airlines company, appointed an engineer to be the link between the company's R&D department and the government contractor who is sponsoring the designing and prototyping of a new fighter airplane. According to Mintzberg, the engineer appointed by SkyGen to be the link between the company's R&D department and the government contractor is playing the role of a \_\_\_\_\_.      |  |  | | --- | --- | | A. | monitor |  |  |  | | --- | --- | | B. | leader |  |  |  | | --- | --- | | C. | figurehead |  |  |  | | --- | --- | | D. | resource allocator |  |  |  | | --- | --- | | **E.** | liaison |   According to Mintzberg, in the role of a liaison, a manager establishes alliances between different organizations to share resources to produce new goods and services. |

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| *AACSB: Reflective Thinking Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 80. | Supervisors are also referred to as \_\_\_\_\_.      |  |  | | --- | --- | | **A.** | first-line managers |  |  |  | | --- | --- | | B. | middle managers |  |  |  | | --- | --- | | C. | top managers |  |  |  | | --- | --- | | D. | interim managers |  |  |  | | --- | --- | | E. | executive managers |   At the base of the managerial hierarchy are first-line managers, often called supervisors. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 81. | Which of the following is a characteristic of first-line managers?      |  |  | | --- | --- | | A. | They are responsible for finding the best way to organize human resources and other organizational assets. |  |  |  | | --- | --- | | B. | They evaluate whether the organization’s goals are appropriate. |  |  |  | | --- | --- | | **C.** | They are responsible for daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | D. | They instruct top managers on the suitability of organizational goals. |  |  |  | | --- | --- | | E. | They develop and fine-tune the skills and know how of middle managers. |   At the base of the managerial hierarchy are first-line managers, often called supervisors. They are responsible for daily supervision of the nonmanagerial employees who perform the specific activities necessary to produce goods and services. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 82. | Which of the following is true of first-line managers?      |  |  | | --- | --- | | A. | They are responsible for finding the best way to organize human and other resources to achieve organizational goals. |  |  |  | | --- | --- | | **B.** | They work in all departments or functions of an organization. |  |  |  | | --- | --- | | C. | They make specific decisions about the production of goods and services. |  |  |  | | --- | --- | | D. | They evaluate whether the organization’s goals are appropriate. |  |  |  | | --- | --- | | E. | They instruct top managers on the suitability of organizational goals. |   At the base of the managerial hierarchy are first-line managers, often called supervisors. First-line managers work in all departments or functions of an organization. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 83. | Middle managers are responsible for:      |  |  | | --- | --- | | A. | the daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | B. | fine-tuning and developing the skills of top managers. |  |  |  | | --- | --- | | C. | the establishment of the organization’s goals and visions. |  |  |  | | --- | --- | | **D.** | finding the best way to use resources to achieve organizational goals. |  |  |  | | --- | --- | | E. | the creation of the top-management team. |   Middle managers are responsible for finding the best way to organize human and other resources to achieve organizational goals. A major part of the middle manager’s job is developing and fine-tuning skills and know-how, such as manufacturing or marketing expertise, that allow the organization to be efficient and effective. |

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| *AACSB: Analytic Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers Topic: Levels of Management* |

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| 84. | Which of the following is a true of middle managers?      |  |  | | --- | --- | | A. | They are often called supervisors. |  |  |  | | --- | --- | | B. | They are responsible for daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | **C.** | They make specific decisions about the production of goods and services. |  |  |  | | --- | --- | | D. | They are responsible for the performance of all departments. |  |  |  | | --- | --- | | E. | They establish long-term organizational goals. |   Supervising the first-line managers are middle managers, responsible for finding the best way to organize human and other resources to achieve organizational goals. Middle managers make thousands of specific decisions about the production of goods and services. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 85. | Which of the following is true of top managers?      |  |  | | --- | --- | | A. | They are often called supervisors. |  |  |  | | --- | --- | | B. | They are responsible for daily supervision of the nonmanagerial employees. |  |  |  | | --- | --- | | C. | They spend more time leading and controlling than planning and organizing. |  |  |  | | --- | --- | | D. | They do not establish organizational goals. |  |  |  | | --- | --- | | **E.** | They have cross-departmental responsibility. |   Top managers are responsible for the performance of all departments. They have cross-departmental responsibility. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 86. | Which of the following is a primary concern of top managers?      |  |  | | --- | --- | | A. | Supervising nonmanagerial employees |  |  |  | | --- | --- | | B. | Training, motivating, and rewarding salespeople |  |  |  | | --- | --- | | C. | Developing and fine-tuning employee skills |  |  |  | | --- | --- | | D. | Supervising first-line managers |  |  |  | | --- | --- | | **E.** | Deciding which goods a company should produce |   Top managers establish organizational goals, such as which goods and services the company should produce; they decide how the different departments should interact; and they monitor how well middle managers in each department use resources to achieve goals. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Levels and Skills of Managers* |

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| 87. | The ability to analyze and diagnose a situation and to distinguish between cause and effect is a:      |  |  | | --- | --- | | A. | human skill. |  |  |  | | --- | --- | | B. | negotiation skill. |  |  |  | | --- | --- | | C. | technical skill. |  |  |  | | --- | --- | | **D.** | conceptual skill. |  |  |  | | --- | --- | | E. | structural skill. |   Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 88. | The general ability to understand, alter, lead, and control the behavior of other workers is a \_\_\_\_\_ skill.      |  |  | | --- | --- | | A. | conceptual |  |  |  | | --- | --- | | **B.** | human |  |  |  | | --- | --- | | C. | technical |  |  |  | | --- | --- | | D. | structural |  |  |  | | --- | --- | | E. | diagnostic |   Human skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 89. | Bob was recently promoted to the position of manager of the engineering division in his company because of his knowledge and his ability to perform all the functions required in his field. In this instance, Bob was promoted because of his \_\_\_\_\_ skill.      |  |  | | --- | --- | | A. | conceptual |  |  |  | | --- | --- | | B. | planning |  |  |  | | --- | --- | | C. | human |  |  |  | | --- | --- | | **D.** | technical |  |  |  | | --- | --- | | E. | leading |   Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level. |

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| *AACSB: Reflective Thinking Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Essential Managerial Tasks* |

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| 90. | Core competency is:      |  |  | | --- | --- | | **A.** | the specific set of departmental skills, knowledge, and experience that allows one organization to outperform another. |  |  |  | | --- | --- | | B. | the planning, organizing, leading, and controlling of human and other resources to achieve organizational goals efficiently and effectively. |  |  |  | | --- | --- | | C. | a measure of how efficiently and effectively a manager uses resources to satisfy customers and achieve organizational goals. |  |  |  | | --- | --- | | D. | a measure of the appropriateness of the goals an organization is pursuing and the degree to which the organization achieves those goals. |  |  |  | | --- | --- | | E. | the ability to analyze and diagnose a situation and to distinguish between cause and effect. |   Core competency refers to the specific set of departmental skills, knowledge, and experience that allows one organization to outperform its competitors. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 91. | Owing to financial problems in the organization, the top management of an investment bank decided to reduce the number of middle managers by 10 percent. This is an example of \_\_\_\_\_.      |  |  | | --- | --- | | A. | insourcing |  |  |  | | --- | --- | | **B.** | restructuring |  |  |  | | --- | --- | | C. | task assessment |  |  |  | | --- | --- | | D. | empowerment |  |  |  | | --- | --- | | E. | delegation |   Restructuring involves simplifying, shrinking, or downsizing an organization’s operations to lower operating costs. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 92. | Due to declining global sales, Makeown Ventures Inc. announced that it would lay off 12 percent of its existing workforce over the next few months. This is an example of:      |  |  | | --- | --- | | A. | task assessment. |  |  |  | | --- | --- | | B. | insourcing. |  |  |  | | --- | --- | | **C.** | restructuring. |  |  |  | | --- | --- | | D. | outsourcing. |  |  |  | | --- | --- | | E. | empowerment. |   Restructuring involves simplifying, shrinking, or downsizing an organization’s operations to lower operating costs. |

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| *AACSB: Reflective Thinking Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT). Topic: Recent Changes in Management Practices* |

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| 93. | Which of the following is a consequence of restructuring?      |  |  | | --- | --- | | A. | Increase in the size of departments |  |  |  | | --- | --- | | **B.** | Increase in employee attrition |  |  |  | | --- | --- | | C. | Increase in hierarchical levels |  |  |  | | --- | --- | | D. | Increase in customer satisfaction |  |  |  | | --- | --- | | E. | Improvement in morale of employees |   Restructuring can be done by eliminating product teams, shrinking departments, and reducing levels in the hierarchy, all of which result in the loss of large numbers of jobs of top, middle, or first-line managers, as well as nonmanagerial employees. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 94. | \_\_\_\_\_ involves contracting with another company, usually in a low-cost country abroad, to have it perform a work activity the organization previously performed itself, such as manufacturing, marketing, or customer service.      |  |  | | --- | --- | | A. | Empowering |  |  |  | | --- | --- | | **B.** | Outsourcing |  |  |  | | --- | --- | | C. | Stratifying |  |  |  | | --- | --- | | D. | Controlling |  |  |  | | --- | --- | | E. | Innovating |   Outsourcing involves contracting with another company, usually in a low-cost country abroad, to have it perform a work activity the organization previously performed itself, such as manufacturing, marketing, or customer service. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 95. | \_\_\_\_\_ is a management technique that involves giving employees more authority and responsibility over how they perform their work activities.       |  |  | | --- | --- | | A. | Restructuring |  |  |  | | --- | --- | | B. | Outsourcing |  |  |  | | --- | --- | | **C.** | Empowerment |  |  |  | | --- | --- | | D. | Departmentalization |  |  |  | | --- | --- | | E. | Insourcing |   Empowerment is a management technique that involves giving employees more authority and responsibility over how they perform their work activities. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT). Topic: Recent Changes in Management Practices* |

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| 96. | A group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities is known as a:      |  |  | | --- | --- | | A. | primary group. |  |  |  | | --- | --- | | **B.** | self-managed team. |  |  |  | | --- | --- | | C. | focus group. |  |  |  | | --- | --- | | D. | restructured team. |  |  |  | | --- | --- | | E. | functional team. |   A self-managed team is a group of employees who assume collective responsibility for organizing, controlling, and supervising their own work activities. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-05 Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT). Topic: Recent Changes in Management Practices* |

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| 97. | \_\_\_\_\_ is defined as the ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors.      |  |  | | --- | --- | | A. | Empowerment |  |  |  | | --- | --- | | **B.** | Competitive advantage |  |  |  | | --- | --- | | C. | Diversification |  |  |  | | --- | --- | | D. | Stratification |  |  |  | | --- | --- | | E. | Innovation |   A competitive advantage is the ability of one organization to outperform its competitors because it produces desired goods or services more efficiently and effectively than they do. The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment. Topic: Challenges for Management in a Global Environment* |

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| 98. | The four building blocks of \_\_\_\_\_ are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers.      |  |  | | --- | --- | | A. | empowerment |  |  |  | | --- | --- | | **B.** | competitive advantage |  |  |  | | --- | --- | | C. | diversification |  |  |  | | --- | --- | | D. | stratification |  |  |  | | --- | --- | | E. | managerial control |   Competitive advantage is the ability of one organization to outperform its competitors because it produces desired goods or services more efficiently and effectively than they do. The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment. Topic: Challenges for Management in a Global Environment* |

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| 99. | \_\_\_\_\_ is the creation of a new vision for a struggling company using a new approach to planning and organizing to make better use of a company’s resources and allow it to survive and eventually prosper.      |  |  | | --- | --- | | A. | Total quality management |  |  |  | | --- | --- | | B. | Task management |  |  |  | | --- | --- | | C. | Talent management |  |  |  | | --- | --- | | **D.** | Turnaround management |  |  |  | | --- | --- | | E. | Workforce management |   Turnaround management is the creation of a new vision for a struggling company using a new approach to planning and organizing to make better use of a company’s resources and allow it to survive and eventually prosper. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment. Topic: Challenges for Management in a Global Environment* |

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| 100. | The process of creating new products that customers want is called:      |  |  | | --- | --- | | A. | market segmentation. |  |  |  | | --- | --- | | B. | total quality management. |  |  |  | | --- | --- | | C. | cost control. |  |  |  | | --- | --- | | **D.** | innovation. |  |  |  | | --- | --- | | E. | restructuring. |   Innovation is the process of creating new or improved goods and services that customers want or developing better ways to produce or provide goods and services. Managers must create an organizational setting in which people are encouraged to be innovative. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment. Topic: Challenges for Management in a Global Environment* |

**Essay Questions**

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| 101. | Distinguish between efficiency and effectiveness and explain how they impact the performance of an organization.     Efficiency is a measure of how well or how productively resources are used to achieve a goal. Effectiveness, on the other hand, is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and the degree to which the organization achieves those goals. Organizational performance increases in direct proportion to increases in efficiency and effectiveness. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Describe what management is; why management is important; what managers do; and how managers utilize organizational resources efficiently and effectively to achieve organizational goals. Topic: What is Management?* |

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| 102. | Briefly discuss the four principal managerial tasks.     The four principal managerial tasks are planning, organizing, leading, and controlling. Managers at all levels of the organization and in all departments perform these tasks. Effective management means managing these activities successfully.To perform the planning task, managers identify and select appropriate organizational goals and courses of action; they develop strategies for how to achieve high performance. Organizing is structuring working relationships so organizational members interact and cooperate to achieve organizational goals. In leading, managers articulate a clear organizational vision for the organization’s members to accomplish, and they energize and enable employees so everyone understands the part he or she plays in achieving organizational goals. In controlling, the task of managers is to evaluate how well an organization has achieved its goals and to take any corrective actions needed to maintain or improve performance. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 103. | What are the three steps in the planning process?     The three steps involved in planning are (1) deciding which goals the organization will pursue, (2) deciding what strategies to adopt to attain those goals, and (3) deciding how to allocate organizational resources to pursue the strategies that attain those goals. How well managers plan and develop strategies determines how effective and efficient the organization is—its performance level. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 2 Medium Learning Objective: 01-02 Distinguish among planning; organizing; leading; and controlling (the four principal managerial tasks); and explain how managers' ability to handle each one affects organizational performance. Topic: Essential Managerial Tasks* |

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| 104. | What are the different levels of management? Explain the basic responsibilities of each.     Organizations normally have three levels of management: first-line managers, middle managers, and top managers. First-line managers are responsible for the daily supervision of nonmanagerial employees. Middle managers supervise first-line managers and are responsible for finding the best way to organize human and other resources to achieve organizational goals. Top managers establish organizational goals, such as which goods and services the company should produce; they decide how the different departments should interact; and they monitor how well middle managers in each department use resources to achieve goals. They are ultimately responsible for the success or failure of an organization. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Differentiate among three levels of management; and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy. Topic: Functions of Management Topic: Levels and Skills of Managers* |

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| 105. | List and briefly explain the three different kinds of managerial skills.     Conceptual skills are demonstrated in the general ability to analyze and diagnose a situation and to distinguish between cause and effect. Human skills include the general ability to understand, alter, lead, and control the behavior of other individuals and groups. Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 106. | What is core competency? How is it related to competitive advantage?     The term core competency refer to the specific set of departmental skills, knowledge, and experience that allows one organization to outperform its competitors. In other words, departmental skills that create a core competency give an organization a competitive advantage. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 107. | Discuss the importance of technical skills.     Technical skills are the job-specific skills required to perform a particular type of work or occupation at a high level. Managers need a range of technical skills to be effective. The array of technical skills managers need depends on their position in their organizations. Managers and employees who possess the same kinds of technical skills typically become members of a specific department and are known as, for example, marketing managers or manufacturing managers. Managers are grouped into different departments because a major part of a manager’s responsibility is to monitor, train, and supervise employees so their job-specific skills and expertise increase. This is easier to do when employees with similar skills are grouped into the same department because they can learn from one another and become more skilled and productive at their particular jobs. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Levels and Skills of Managers* |

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| 108. | Define restructuring. Discuss the positive and negative effects of restructuring.     Restructuring involves simplifying, shrinking, or downsizing an organization’s operations to lower operating costs. Restructuring can be done by eliminating product teams, shrinking departments, and reducing levels in the hierarchy, all of which result in the loss of large numbers of jobs of top, middle, or first-line managers, as well as nonmanagerial employees. Modern IT’s ability to improve efficiency has increased the amount of downsizing in recent years because IT makes it possible for fewer employees to perform a given task. The positive effects of restructuring lie primarily in a reduction of overhead costs. Restructuring, however, can produce some powerful negative outcomes. It can reduce the morale of remaining employees, who worry about their own job security. And top managers of many downsized organizations realize that they downsized too far when their employees complain they are overworked and when increasing numbers of customers complain about poor service. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Distinguish between three kinds of managerial skill; and explain why managers are divided into different departments to perform their tasks more efficiently and effectively. Topic: Recent Changes in Management Practices* |

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| 109. | What are the four building blocks of competitive advantage? How can organizations increase their efficiency and productivity?     The four building blocks of competitive advantage are superior efficiency; quality; speed, flexibility, and innovation; and responsiveness to customers. Organizations increase their efficiency when they reduce the quantity of resources (such as people and raw materials) they use to produce goods or services. In today’s competitive environment, organizations continually search for new ways to use their resources to improve efficiency. Many organizations are training their workforces in the new skills and techniques needed to operate heavily computerized assembly plants. Similarly, cross-training gives employees the range of skills they need to perform many different tasks; and organizing employees in new ways, such as in self-managed teams, lets them make good use of their skills. These are important steps in the effort to improve productivity. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 2 Medium Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment. Topic: Challenges for Management in a Global Environment* |

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| 110. | Discuss the challenges faced by managers in today’s competitive global environment.     Today’s competitive global environment presents many interesting challenges to managers. One of the main challenges is building a competitive advantage by increasing efficiency; quality; speed, flexibility, and innovation; and customer responsiveness. Other challenges include behaving in an ethical and socially responsible way toward people inside and outside the organization, managing a diverse workforce, utilizing new IT, and practicing global crisis management. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-06 Discuss the principal challenges managers face in today's increasingly competitive global environment. Topic: Challenges for Management in a Global Environment* |