

Hospitality and Tourism Cluster Exam

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have _____ minutes to complete all questions.

CAUTION: Posting these materials on a website is a copyright violation unless specifically authorized by MBAResearch.

This comprehensive exam was developed by the MBAResearch Center. Items have been randomly selected from the MBAResearch Test-Item Bank and represent a variety of instructional areas. Performance Indicators for this exam are at the prerequisite, career-sustaining, and marketing specialist levels. A descriptive test key, including question sources and answer rationale, has been provided the state DECA advisor.

Copyright © 2011 by Marketing & Business Administration Research and Curriculum Center®, Columbus, Ohio

Each individual test item contained herein is the exclusive property of MBAResearch. Items are licensed only for use as configured within this exam, in its entirety. Use of individual items for any purpose other than as specifically authorized in writing by MBAResearch is prohibited. This exam, without modification, is licensed for one-time use on a date specified by the licensee (state DECA advisor or designee), on or before MARCH 31, 2011. **Possession of this exam, without written authorization, under any other circumstances is a copyright violation.** Posting to inter- or intranet sites is specifically forbidden unless written permission is obtained prior to posting. Report violations to MBAResearch at 800.448.0398.

1. The wrongful interference with the right of a business to operate is the basis of business
A. compliance. C. fraud.
B. liability. D. tort law.
2. Jake wanted to run his own business but was unsure that he had adequate business skills to be successful. Which type of business would give Jake the help he needs?
A. Sole proprietorship C. Private corporation
B. Business-format franchise D. Product trade-name franchise
3. Great Adventures Travel Agency is preparing a new brochure for its clients which will include the following information: what is included in the package, reservation procedures, deposit and payment schedule, cancellation and refund policy, and the tour operator's limited responsibility and liability. This information is required by the two trade associations serving the tour segment of the travel industry and is known as
A. federal regulation. C. code of ethics.
B. performance bond. D. statement of conditions.
4. Which of the following would not be considered an intermediary in a channel of distribution:
A. Wholesaler C. Agent
B. Retailer D. Producer
5. Businesses that buy products from suppliers that are not the authorized distributors for the products' manufacturers are involved in the
A. discount trade. C. export business.
B. outlet industry. D. gray market.
6. As the reporter from WRTZ interviews the fire chief, she takes careful notes of the conversation. When he explains the details of injuries, she says, "that's two people in critical condition and three in fair condition." This is an example of
A. defensive behavior. C. passive listening.
B. ongoing feedback. D. active listening.
7. The front desk can be a hectic work area at times. Front desk clerks can still give good service under these conditions if they
A. have good accounting skills. C. know how to avoid problems.
B. stay calm during interruptions. D. are able to organize others.
8. In oral presentations, a closing method used specifically for getting the audience to do something is
A. using humor. C. making an appeal for action.
B. using a quotation. D. making a comparison.
9. Which of the following is a characteristic of a persuasive sales message:
A. Discredits the competition C. Makes the product appealing
B. Reminds customer of the product D. Contains loaded language
10. Which of the following is a type of simple written report that usually is distributed to employees within a business:
A. Proposal C. Handbook
B. Memorandum D. Newsletter
11. What is a type of informal communication that coworkers often use to communicate with each other?
A. Grapevine C. Network
B. Feedback D. Structured
12. When a business strives to make every customer experience a positive one, it is remembering its
A. history. C. competition.
B. internal customers. D. touch points.

13. When customers ask questions or have complaints about a business's procedures, employees need to be able to
- A. give the customers a booklet to read.
 - B. explain the business's policies.
 - C. call a supervisor for help.
 - D. refer the customers to management.
14. An individual books a hotel reservation on an Internet web site. This is an example of
- A. product.
 - B. promotion.
 - C. place.
 - D. possession.
15. The social science concerned with the basic problem of scarcity is called
- A. manufacturing.
 - B. purchasing.
 - C. marketing.
 - D. economics.
16. A business that begins selling winter holiday decorations in late autumn is creating _____ utility.
- A. form
 - B. place
 - C. time
 - D. possession
17. In a market economy, which of the following factors has an influence on what goods are produced:
- A. Profit
 - B. Need
 - C. Quotas
 - D. Opinion
18. Fracton Enterprises and Garland Manufacturing are identical businesses that are supplied by Alta Wholesale. Fracton provides a holiday party for its suppliers, while Garland does not. Because of the holiday party, Alta Wholesale charges Fracton less for its merchandise than it charges Garland for purchasing the same quantity of merchandise. Which government legislation of competition is Alta violating?
- A. Robinson-Patman Act
 - B. Clayton Act
 - C. Sherman Antitrust Act
 - D. Celler-Kefauver Antimerger Act
19. The gross domestic product (GDP) is calculated each year in the United States to determine
- A. the health of the economy.
 - B. the level of exports.
 - C. whether income taxes should be lowered or raised.
 - D. how much money should be printed during the year.
20. Countries record the flow of imports, exports, foreign aid, business investment, foreign investments, and money spent by tourists in order to determine their
- A. number of multinationals.
 - B. balance of payments.
 - C. need for trade missions.
 - D. volume of production.
21. A restaurant server was working constantly, going from one task to the next. This server was demonstrating interest and enthusiasm for the job through
- A. body language.
 - B. personality.
 - C. boredom.
 - D. verbal communication.
22. An employee accidentally quoted the wrong price to an important customer. How should the employee deal with this problem?
- A. Tell the customer the typist made an error
 - B. Admit the mistake and quote the correct price
 - C. Ask a coworker to accept responsibility
 - D. Say the manager provided inaccurate information
23. Which of the following is key to developing empathy:
- A. Being on guard against criticism
 - B. Being sensitive to others' emotions
 - C. Avoiding people who are different
 - D. Basing your opinions on your emotions

24. Which of the following is an example of a manager being unethical when communicating with employees:
- A. Deliberately limiting the distribution of classified information
 - B. Explaining that some information is confidential
 - C. Sending information in simple chart form
 - D. Deliberately providing insufficient information
25. The question, "Who is experiencing the conflict?" can provide insight about the
- A. importance of the relationship.
 - B. core issue surrounding the disagreement.
 - C. other person's personality.
 - D. type of disagreement that is occurring.
26. Employees who set realistic goals and standards for themselves often are able to control their
- A. ability to advance.
 - B. level of stress.
 - C. work schedule.
 - D. group participation.
27. One reason why consensus building encourages commitment and support from all group members is because
- A. the process promotes thinking.
 - B. the process encourages creativity.
 - C. everyone has equal power.
 - D. everyone agrees with the decision.
28. An advantage to businesses of offering credit is that credit customers
- A. are not as price-conscious as cash customers.
 - B. buy less readily than cash customers.
 - C. can often save money on purchases.
 - D. buy few impulse items.
29. When a business's insurance premiums are high, it is most often because the
- A. security is optimal.
 - B. liability is low.
 - C. threats are minimal.
 - D. risk is high.
30. Which of the following financial tools shows an estimate of the start-up costs for a new business and the sources of those funds:
- A. Balance sheet
 - B. Break-even analysis
 - C. Statement of financial requirements
 - D. Cash-flow analysis
31. When customers buy on credit, the money owed the business by the customers is part of the business's
- A. cash receipts.
 - B. current liabilities.
 - C. accounts payable.
 - D. accounts receivable.
32. The three sections of a balance sheet represent the basic
- A. accounting equation.
 - B. bookkeeping system.
 - C. financial quota.
 - D. monetary policy.
33. Which of the following are usually responsible for analyzing a business's income statement:
- A. Managers
 - B. Customers
 - C. Cashiers
 - D. Bookkeepers
34. When a business owner or manager uses a budget, s/he
- A. demonstrates leadership.
 - B. makes more informed decisions.
 - C. has to try to make it interesting.
 - D. can more accurately evaluate employees.
35. A current employee who is asked to help orient a new employee will be serving as the new employee's
- A. apprentice.
 - B. sponsor.
 - C. manager.
 - D. trainee.

36. Which of the following is the primary reason that hospitality and tourism businesses obtain relevant marketing information:
- A. To offer products that customers want
 - B. To maximize the use of the latest technology
 - C. To improve their relationships with creditors
 - D. To drive indirect competitors out of business
37. The Majestic Resort and Conference Center sent an online survey to former guests to obtain feedback about their satisfaction levels with the facility and its services. What type of information did the resort collect?
- A. Primary
 - B. Supportive
 - C. Preparatory
 - D. Secondary
38. To attract new customers, a Philadelphia-based travel agency plans to conduct a web search to determine the types of domestic tour packages that leisure travelers have been booking in the past two years. Which of the following organizations is most likely to provide this information on its web site:
- A. The United States Tour Operators Association
 - B. Cruise Lines International Association
 - C. The American Hotel and Lodging Association
 - D. Recreational Gaming Association of Washington
39. Business travelers make up 40% of a hotel chain's market in the Southwest region of the country. If 860,800 guests stayed at the various properties in the Southwest region last year, how many of the hotel guests were business travelers?
- A. 364,400
 - B. 360,400
 - C. 348,640
 - D. 344,320
40. What is a primary advantage of using Internet surveys to collect marketing information?
- A. Less confusing for respondents
 - B. Easy to conduct follow up
 - C. Immediate data capture
 - D. High degree of interviewer influence
41. If 60 people respond to a questionnaire and 20 answer "A," 20 answer "B," and 20 answer "C," what is the median?
- A. 60
 - B. "A"
 - C. "C"
 - D. "B"
42. What can business professionals do during oral presentations to ensure their audiences' understanding of marketing-research findings?
- A. Speak very slowly
 - B. Repeat minor points
 - C. Include humor whenever possible
 - D. Use clear, concise language
43. West Lake Yacht Club wishes to increase membership and has placed several advertisements in local boating magazines and brochures. This advertising increase is an example of
- A. promotion.
 - B. pricing.
 - C. publicity.
 - D. production.
44. Which of the following is a characteristic of travel and tourism marketing:
- A. Controlled by society
 - B. Unaffected by technology
 - C. Locally organized
 - D. Highly competitive
45. How can properties use the information found in guest history records?
- A. To schedule payment plans
 - B. To target specific markets
 - C. To recruit new employees
 - D. To process room accounts
46. Wireless networks are now more common due to
- A. government regulations requiring them.
 - B. information overload.
 - C. increased distribution of the workforce.
 - D. increased competition.

47. Which of the following is an umbrella term referring to any type of Internet transaction:
- A. URL
 - B. E-commerce
 - C. E-business
 - D. Web site
48. Which of the following demonstrates the correct method to ensure that all words in a phrase are included in a web search:
- A. "Confidence in itself is the secret of success"
 - B. [There is no tree that the wind has not shaken]
 - C. 'To be or not to be'
 - D. (Discipline is the most important part of success)
49. Which of the following forms of communication is the most efficient way to bring four coworkers who are located in different cities together to simultaneously discuss a common business issue:
- A. Voice mail
 - B. Audio conferencing
 - C. Text messaging
 - D. Facsimile
50. When Roger retrieved a client's information and dialed the phone number listed, he discovered the information was incorrect. This is an example of the importance of _____ records.
- A. archived
 - B. quality
 - C. digital
 - D. required
51. Which of the following is an economic factor that businesses might identify as a result of conducting an environmental scan:
- A. Population shift
 - B. Increased regulation
 - C. Unemployment rate
 - D. Lifestyle adjustment
52. Hospitality businesses are developing strategies to accommodate niche markets. Skydivers are an example of a group in a growing segment called the _____ market.
- A. environmental
 - B. adventure
 - C. agritourism
 - D. geotourism
53. Requiring employees to wear appropriate clothing on the job is one way that businesses can maintain a(n) _____.
- A. industrial image.
 - B. comfortable atmosphere.
 - C. safe work environment.
 - D. sanitary facility.
54. A new cashier handled customer's purchases without noticing that the customer's signature did not match the imprint from the charge card. Which of the following kinds of security precautions might have prevented this loss to the business:
- A. Pilferage prevention
 - B. Fraud prevention
 - C. Burglary prevention
 - D. Robbery prevention
55. Before selecting the right people to work on a project, it is important to identify the _____.
- A. tangible resources.
 - B. needed skills.
 - C. required supplies.
 - D. physical facilities.
56. A business converts inputs into outputs through its _____ activities.
- A. production
 - B. management
 - C. marketing
 - D. accounting
57. Which of the following is a way that employees can help to control expenses by managing their work:
- A. Reading magazines
 - B. Taking long breaks
 - C. Leaving early
 - D. Meeting deadlines

58. Jordan is in charge of a project that involves several vendors, so he must keep track of the invoices to make sure that the project is within budget. From which department would Jordan obtain copies of the invoices relating to the project:
- A. Inventory control
 - B. Sales
 - C. Accounts payable
 - D. Service
59. What do businesses often develop in order to properly maintain their equipment and physical facilities?
- A. Regular housekeeping plan
 - B. Routine landscaping service
 - C. Ongoing security measures
 - D. Continual inspection program
60. Why is it important for business employees to remain calm when confronted by an armed robber?
- A. Because the silent alarm automatically activates and notifies authorities
 - B. So they do not put themselves or others in additional danger
 - C. Because the management requires the staff to refuse to cooperate with thieves
 - D. So they can use company procedures to distract the robber and avoid the robbery
61. Which of the following security measures is often found in lodging establishments:
- A. Metal detectors
 - B. Radio frequency tags
 - C. Electronic key cards
 - D. Property management system
62. Individuals can improve their chances of making a good first impression on others by
- A. doing all the talking.
 - B. sitting up straight.
 - C. using street slang in conversation.
 - D. wearing dressy clothes at all times.
63. Which of the following actions is least likely to help you achieve a goal:
- A. Keeping a written record of your progress
 - B. Setting a time limit for achieving the goal
 - C. Asking your friends if the goal is worthwhile
 - D. Developing a plan of things to do
64. Rob decides that he really can't know if Patrick will help him unless he asks, so he decides to do so. Which step of the seven-step problem-solving method does this situation illustrate?
- A. Select and implement a solution
 - B. Evaluate the solution
 - C. Define the problem
 - D. Brainstorm possible solutions
65. What should people ignore when they are polishing and refining their ideas in order to make them work?
- A. Logical questions
 - B. Personal suggestions
 - C. Negative comments
 - D. Industry feedback
66. Should a job applicant let the interviewer know at the end of an initial job interview that s/he would like to have the job?
- A. No, the applicant should wait for the interviewer to offer the job.
 - B. Yes, the applicant can expect to be hired during the interview.
 - C. Yes, the applicant should say that s/he would really like to be hired.
 - D. No, the applicant will seem to be too anxious to find a job.
67. Which of the following is a service that is provided by some professional organizations in the travel and tourism industry:
- A. Training
 - B. Counseling
 - C. Marketing
 - D. Interviewing
68. The hospitality industry consists of _____ businesses.
- A. destination planning, financial, and fine dining
 - B. lodging, transportation, and fine dining
 - C. prepared food, entertainment, and lodging
 - D. entertainment, destination planning, and prepared food

69. An example of price in the hospitality industry is the amount a guest pays for
- A. one night at an all-inclusive resort.
 - B. dinner in a hotel's main dining room.
 - C. transportation to a full-service hotel.
 - D. a sightseeing trip arranged by a concierge.
70. Communicating the core values of products is an effective way to
- A. analyze the sales operation.
 - B. explain the price structure.
 - C. reinforce a business's image.
 - D. create a distribution channel.
71. If a one-pound box of spaghetti yields eight side dishes, how many boxes should a restaurant purchase in order to prepare 100 sides?
- A. 13
 - B. 10
 - C. 12
 - D. 8
72. Which of the following examples illustrates the concept of product in the hospitality industry:
- A. A conference center making reservations at other properties
 - B. A bed and breakfast advertising private baths and a fireplace in each room
 - C. A resort promoting that it treats guests like family
 - D. A cruise ship providing a list of rental car agencies located at ports-of-call
73. Some properties make it easier for guests to get to and from their destinations by providing _____ services.
- A. bell staff
 - B. valet
 - C. concierge
 - D. shuttle
74. A hospitality business adding a line of suite hotels to increase its product depth is an example of a product
- A. enhancement.
 - B. outsource.
 - C. feature.
 - D. extension.
75. A business with a limited promotional budget could benefit from choosing a vendor that
- A. pretickets goods.
 - B. provides sales training.
 - C. offers exchange privileges.
 - D. provides advertising aids.
76. Which of the following is a characteristic of most online banner advertisements:
- A. Productive
 - B. Restrictive
 - C. Selective
 - D. Interactive
77. An e-mail that allows the reader to click on certain text and be transported to a specific web site is using
- A. address books.
 - B. hyperlinks.
 - C. gateways.
 - D. mailing lists.
78. When using color for billboard advertising, it is best to use
- A. a variety of primary and secondary hues.
 - B. primary colors.
 - C. a pastel color scheme.
 - D. excessive variations of tones and tints.
79. What type style looks like cursive handwriting and is often used to communicate short messages that have a formal feel?
- A. Novelty
 - B. Script
 - C. Sans serif
 - D. Roman
80. What color harmonies tend to stimulate intense emotion and energy?
- A. Blue, green, and purple
 - B. Red, yellow, and orange
 - C. Black, blue, and yellow
 - D. Orange, green, and white

81. An effective advertisement headline should
- A. criticize the competition.
 - B. indicate a benefit.
 - C. eliminate the need for additional copy.
 - D. offer a guarantee.
82. What is a good tip to follow when developing effective copy for mobile advertisements?
- A. Include coupons
 - B. Make it vague
 - C. Use symbols
 - D. Keep it short
83. An important purpose of checking a business's advertising proofs is to
- A. determine how long the ad should be run.
 - B. make sure the firm's name is correct.
 - C. compare the ad with competitors' ads.
 - D. select the media that will present the ad.
84. As an element of its public-relations program, a travel agency decides to support the local community's literacy initiatives. Which of the following would be the most appropriate activity for the travel agency to implement:
- A. Sponsoring a blood drive at a local high school
 - B. Providing a college scholarship
 - C. Organizing a 5-K to raise funds for cancer research
 - D. Donating books to local elementary schools
85. Tony owns a charter fishing boat business on the Outer Banks of North Carolina. Which of the following web sites would you recommend for Tony to place a pay-per-click advertisement:
- A. www.surfboardsusa.net
 - B. www.obxbaitandtackle.com
 - C. www.redlobster.com
 - D. www.whitewaterrafting.net
86. Which of the following are the basic factors that should be included in the first paragraph of a good news release:
- A. Sales promotion, publicity, personal selling, advertising
 - B. Product, price, place, promotion
 - C. Attention, interest, desire, action
 - D. Who, what, where, when, why
87. When planning special events, which of the following must be considered:
- A. Customers' likes and dislikes
 - B. Scheduling strategy to use with the media
 - C. Markups planned for products
 - D. Brands to be offered
88. Pedro's Grill is ready to roll out its Caribbean summer menu. One way to prepare the restaurant for the rollout is by
- A. placing tropical-themed tent cards on each table.
 - B. sending a newsletter to trade publications.
 - C. requiring all employees to wear red sweaters to work.
 - D. hiring a jazz musician to entertain guests.
89. The best type of display for a hotel coffee shop to use to protect freshly baked desserts while still promoting their sales is a(n) _____ display.
- A. open
 - B. island
 - C. closed
 - D. end cap
90. Which of the following should be done to maintain a display:
- A. Display props and fixtures should be dusted.
 - B. Display background paper should be changed.
 - C. Signs in the displays should be replaced.
 - D. Old staples from the display should be removed.

91. An online travel business sends its clients an e-mail message about a special that it is offering for a five-day Caribbean cruise. This is an example of
- A. distribution.
 - B. product/service management.
 - C. operations management.
 - D. promotion.
92. Hotels and motels often attract guests by advertising a combination rate that includes a room and a special activity such as a concert, play, or sports event. This is an example of a(n)
- A. incentive rate.
 - B. package plan.
 - C. rack rate.
 - D. corporate plan.
93. Which of the following items would a travel agency display to promote travel to a Mexican beach destination:
- A. Sombrero, poster of Cancun, beach towel, and sunglasses
 - B. Sunglasses, maracas, poster of Athens, and beach towel
 - C. Sunscreen, brochures of the Bahamas, sunglasses, and maracas
 - D. Sailboat model, sunscreen, Eiffel Tower poster, and sombrero
94. When hotel-restaurant guests are given an opportunity to study the menu before a server comes to take their order, which characteristic of a good sales approach is being applied:
- A. Sincere and friendly
 - B. Respectful and courteous
 - C. Enthusiastic
 - D. Properly timed
95. Which of the following is good advice for a salesperson to follow when questioning customers:
- A. Discourage the customer from asking questions
 - B. Ask personal questions
 - C. When stock is limited, ask more questions
 - D. Use pauses between questions
96. What should salespeople do if they discover that a different product will better meet a customer's needs than the one originally requested?
- A. Respond to an objection
 - B. Question for information
 - C. Prepare a demonstration
 - D. Recommend a substitute
97. A hotel restaurant waiter/waitress should present the check to the customer when s/he
- A. has served all the desserts.
 - B. feels the time is right.
 - C. has served the entrees.
 - D. is sure the customer wants nothing more.
98. Why is it important for salespeople to find out something about their customers before trying to sell them a good or service?
- A. To develop personal relationships
 - B. To make conversation
 - C. To ask for information
 - D. To address their needs
99. Which of the following is a factor that often motivates people to choose a certain travel destination:
- A. Methods of promotion
 - B. Actions of competitors
 - C. Level of maintenance
 - D. Recommendations of friends
100. What level of management is responsible for establishing company objectives, selecting strategies for reaching goals, and providing leadership for the company?
- A. First-level management
 - B. Executive management
 - C. Middle management
 - D. Supervisory management