

Business in Context 8th edition Needle Test Bank

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Chapter 1_ The Concept of Business in Context

1. Which of the following statements is correct?

- a. A business is any organization that aims to make a profit.
- b. None of the activities of public sector organizations can be classed as business.
- c. In many of the activities it performs, a university may be considered a business.
- d. The terms enterprise, company and firm have different legal definitions.

ANSWER: c

2. Which of the following statements is correct?

- a. A business is an organized effort to produce goods and services to meet the needs of society.
- b. A business is an organization that produces goods for profit.
- c. Voluntary sector organizations such as charities cannot be considered as businesses.
- d. Only private sector organizations can be called businesses.

ANSWER: a

3. Which of the following statements is correct?

- a. Hospitals in the UK are not allowed to advertise their services.
- b. Hospitals in the USA are only allowed to advertise their services in the USA.
- c. By law, not-for-profit organizations in the UK are not allowed to make a surplus.
- d. There has been a growth in the number of hospitals around the world advertising their services to potential international customers.

ANSWER: d

4. Which of these four statements is correct?

- a. The 'Business in Context' model is an interactive influence model.
- b. The 'Business in Context' model identifies the organizational context as having most influence on business activities.
- c. The 'Business in Context' model identifies the environmental context as having most influence on business activities.
- d. The 'Business in Context' model identifies business strategy and management decision-making as having most influence on business activities.

ANSWER: a

5. Which of the following statements is correct?

- a. Businesses are best conceived as a simple network of interrelationships.
- b. The subjective preferences of individual managers have considerable influence on decisions in business organizations.
- c. The environmental context of business is a given that determines management decisions.
- d. Marketing decisions have little impact on human resource management.

ANSWER: b

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6. Which of the following statements is correct?

- a. Complex global business structures will invariably determine the strategy of the organization.
- b. The structure of an organization is more often than not determined by its strategy.
- c. The economic and political environment is the major determinant of the strategy of a global firm.
- d. The political and legal environment is the major determinant of the structure of a global firm.

ANSWER: b

7. Which of the following statements is correct?

- a. Innovation is mainly concerned with the development of new products.
- b. Marketing is essentially a task of persuading consumers to buy products they never thought they needed.
- c. Operations management is mainly a function found in the manufacturing industry.
- d. Finance and accounting is as much about managing cash flows as it is about producing accounts.

ANSWER: d

8. Which of the following statements is correct?

- a. A systems approach views the organization as made up of independent parts.
- b. A systems approach focuses on the desired outcomes of a business.
- c. A systems view sees organizations as a machine.
- d. The objective of feedback in a systems model is to adjust the inputs and processes in response to variations in output.

ANSWER: d

9. Which of the following statements is correct?

- a. All businesses have internal operations as their main focus.
- b. All businesses must innovate to survive.
- c. All businesses comprise a series of related activities in a number of different contexts.
- d. Businesses must not lose money, therefore accounting and finance is the key activity.

ANSWER: c

10. Which of the following statements is correct?

- a. Most decisions made by managers are rational and objective.
- b. Decisions that affect one part of a business will generally have an impact on other parts as well.
- c. Size, structure, and organization culture are very important but unrelated elements of the organization.
- d. Departmental managers are generally able to isolate their department from decisions and activities made in other parts of the organization.

ANSWER: b

11. Which of the following statements best highlights the difference between systems theory and contingency theory?

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- a. The systems approach focuses on interactions between business activities and the environment in which they operate, whereas the contingency approach focuses solely on the environment.
- b. Both are similar, but the contingency approach assumes that successful firms are those that adapt to the environment and unsuccessful firms do not.
- c. The contingency approach assumes that business should adapt to its environment, whereas a systems approach incorporates the idea of influence being two-way.
- d. The contingency approach is static and often dated, whereas the systems approach is dynamic.

ANSWER: c