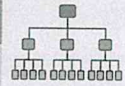


Chapter 2 Introduction to Management

Section 2

Key Business Functions



1. What are the advantages of carrying out a market research before launching a new product/service?
 - (1) have a better understanding of the market on the whole
 - (2) identify target customers
 - (3) know what customers need and want
 - A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

2. Which of the following are the tasks performed by a human resources manager?
 - (1) provide training to employees
 - (2) forecast the demand for and supply of labour
 - (3) evaluate the performance of workers
 - A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

3. Which of the following are the advantages brought by good human resources management?
 - (1) reduce employees' turnover rate
 - (2) improve the skills, knowledge and aptitudes of employees
 - (3) enhance the company's image
 - A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

4. Which of the following are the tasks performed by the financial manager of a manufacturing company?
- (1) assess the proposal of purchasing a factory
 - (2) monitor employees' monthly payroll
 - (3) raise funds for the extension of factory
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
5. Which of the following are the examples of debt financing?
- (1) borrowing from banks
 - (2) issuing shares to existing shareholders
 - (3) receiving trade credits from suppliers
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
6. Which of the following tasks is **NOT** performed by an operations manager?
- A. overseeing the operation systems and production processes
B. product's quality control
C. inventory management
D. acquiring funds to support the company's operations
7. Which of the following are the reasons for the existence of financial management?
- (1) better utilise resources of the company
 - (2) maximise company's wealth
 - (3) develop a fair and competitive compensation system for employees
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

8. Which of the following is/are the function(s) of human resources planning?
- (1) ensure that the company has the right number and kinds of workers
 - (2) select the most appropriate candidates for jobs
 - (3) develop workers with high motivation to work
- A. (1) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
9. Which of the following statements about operations management are correct?
- (1) Inventory management helps ensure that stocks and materials are in good condition.
 - (2) Quality assurance system ensures the quality of the firms' products and services.
 - (3) A good quality management system enables a firm to produce goods at a low cost.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
10. Which of the following is/are the contribution(s) of operations management to the firm?
- (1) design an efficient and effective production process
 - (2) manage the existing inventories
 - (3) employ workers for carrying out the production
- A. (1) only
 - B. (1) and (2) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
11. Which of the following are the duties of operations management?
- (1) develop the layout of the facilities
 - (2) ensure the quality of the products
 - (3) provide training to workers
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

12. Which of the following is **NOT** included in the traditional marketing mix (4P)?
- A. place
 - B. product
 - C. people
 - D. promotion
13. Which of the following traditional marketing mix (4P) refers to the distribution channel of products from producers to customers?
- A. price
 - B. place
 - C. product
 - D. promotion
14. The marketing department is responsible for _____ .
- (1) sourcing event sponsorship
 - (2) conducting surveys on customer needs
 - (3) paying commission to salespersons
- A. (1) only
 - B. (2) only
 - C. (1) and (2) only
 - D. (2) and (3) only
15. An IT company wants to bid for the right to operate a store in an IT exhibition in the Wan Chai Exhibition Centre. However, it decides not to submit a tender because the board of directors fears that the company may suffer a loss from the exhibition. Which of the following risk management strategies is adopted?
- A. risk transfer
 - B. risk reduction
 - C. risk avoidance
 - D. risk assumption
16. Which of the following is/are the task(s) performed by information management?
- (1) managing the storage of information in computer database
 - (2) conducting questionnaire surveys to find out customer tastes and preferences
 - (3) providing training to employees on the topic of Internet intrusion
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only

17. Arrange the following steps for the risk management process in correct order.
- (1) identify the potential loss
 - (2) implement measures to control risks
 - (3) compare different methods to control and compensate the loss
 - (4) monitor the usefulness of certain measures
- A. (1) → (3) → (4) → (2)
B. (1) → (4) → (3) → (2)
C. (1) → (3) → (2) → (4)
D. (3) → (1) → (2) → (4)
18. To avoid goods from being stolen, a supermarket installs closed-circuit television (CCTV). Which of the following risk management strategies is adopted by the supermarket?
- A. risk assumption
B. risk reduction
C. risk avoidance
D. risk transfer
19. Recently, the customer base of Mr Chui's company was stolen. However, he had taken an insurance policy and the insurance company will compensate for the losses. Which of the following risk strategies did he use?
- A. risk transfer
B. risk reduction
C. risk avoidance
D. risk assumption
20. A good _____ system motivates workers to work productively and attracts competent workers.
- A. recruitment and selection
B. training and development
C. performance appraisal
D. compensation
21. Which of the following types of the business functions are helpful when a company determines the salary level of an employee?
- (1) human resources management
 - (2) financial management
 - (3) information management
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

22. Which of the following descriptions about human resources management is/are correct?
- (1) It helps attract and retain capable workers.
 - (2) It conducts performance appraisal to evaluate the working performance of workers.
 - (3) It sets up labour unions to strive for employees' welfare and benefits.
- A. (2) only
 - B. (1) and (2) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

Based on the following information, answer Question 23 to 24.

Jenny is the human resources manager of High High Ltd, which provides interior design services.

23. Which of the following tasks are performed by Jenny?
- (1) manpower planning
 - (2) designing workshops for the workers to learn a new computer programme
 - (3) arranging workflow for the employees
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
24. Which of the following is **NOT** the role of human resources management in the company?
- A. develop a fair compensation system for the employees
 - B. recruit an adequate number of workers
 - C. obtain funds to pay for salary of the workers
 - D. observe labour regulations
25. A financial manager is responsible for _____ .
- (1) maximising a company's wealth
 - (2) controlling the resources used for production
 - (3) assessing investment projects and their profitability
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

26. Which of the following are the functions performed by information management of a company?
- (1) retrieve past sales figures to evaluate the company's performance
 - (2) establish a computer network within the company
 - (3) control the expenses of the company
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
27. A good production layout design can _____ .
- (1) enhance workers' productivity
 - (2) reduce potential dangers
 - (3) lower production costs
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
28. Which of the following are functions of marketing management?
- (1) seize market opportunities to explore new markets
 - (2) execute marketing plans to compete with other firms
 - (3) determine the types and quantities of products to be sold to customers
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
29. Which of the following are decided by marketing managers?
- (1) designs of the products
 - (2) prices of the products
 - (3) production capacity of the production lines
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

30. Which of the following descriptions about marketing management is/are correct?
- (1) A marketing manager is responsible for hiring salespersons for promotion.
 - (2) A marketing department sets prices for the products to be sold.
 - (3) In the marketing mix, 'place' refers to the choice of location of production.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only
31. Which of the following is **NOT** the task of information management to the company?
- A. use information to assess the risks involved in the company's operation
 - B. collect information inside and outside the company
 - C. transform raw data into information
 - D. provide dependable and timely information to managers for decision-making
32. Katherine is the CEO of the Kings Company. She is making the future plan by analysing the market trend report and the sales report. Which of the following types of the business functions are useful when Katherine is making such a plan?
- (1) information management
 - (2) human resources management
 - (3) marketing management
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
33. Danny is planning a new advertising campaign for his company. He has to obtain a bank loan to finance the project and hire workers for the promotion day. Which of the following types of business functions need to be performed when Danny is carrying out such a campaign?
- (1) financial management
 - (2) information management
 - (3) human resources management
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

34. In a firm, information management assists the human resources department in several ways. Which of the following are the possible ways?
- (1) collecting and storing personnel information
 - (2) developing an attendance taking system
 - (3) facilitating staff placement
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
35. Which of the following descriptions about risk management is **INCORRECT**?
- A. A firm uses risk assumption when there are no other ways to deal with the risks.
 - B. Every company faces the risk of loss due to uncontrolled incidents.
 - C. Risk management assists a company to estimate and identify its exposure to different types of risks only.
 - D. Risk avoidance is the most appropriate way to deal with risks that can lead to significant loss.
36. Which of the following are the performance indicators of a marketing department?
- (1) market share
 - (2) staff turnover rate
 - (3) sales volume
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
37. Which of the following is/are the purpose(s) of controlling in the marketing department?
- (1) ensure that the company achieves its planned marketing objectives
 - (2) turn the marketing plan into action
 - (3) monitor changes in market needs and respond to changes
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only
38. Which of the following is correct about regular fire drills in the company?
- A. It is a strategy of risk avoidance.
 - B. It is a strategy of risk reduction.
 - C. It is a strategy of risk assumption.
 - D. It is a strategy of risk transfer.

39. Which of the following is/are correct when it comes to risk management strategies?
- (1) not engaging in transactions with notorious companies to avoid risks
 - (2) setting up fire escapes and fire alarms to reduce risks
 - (3) asking an insurance company to insure against possible misfortunes in department offices in war-ridden countries
- A. (2) only
B. (3) only
C. (1) and (2) only
D. (2) and (3) only
40. Which of the following is/are the responsible area(s) of the financial manager?
- (1) employing the accountants and financial planners
 - (2) setting an optimal inventory level
 - (3) determining the possible losses that may occur to the company
- A. (2) only
B. (3) only
C. (1) and (2) only
D. (2) and (3) only
41. Which of the following is/are **NOT** in the planning process of a marketing department?
- (1) evaluating market strengths and weaknesses
 - (2) establishing the goals for marketing campaigns
 - (3) adjusting marketing targets
- A. (1) only
B. (3) only
C. (1) and (3) only
D. (1), (2) and (3)
42. Which of the following is/are the correct match(es) of a department manager and his/her area of responsibility?
- | <u>Department manager</u> | <u>Area of responsibility</u> |
|-----------------------------|-------------------------------|
| (1) operations manager | factory layout design |
| (2) human resources manager | organising workflow |
| (3) financial manager | capacity planning |
- A. (1) only
B. (3) only
C. (1) and (3) only
D. (1), (2) and (3)

43. Which of the following is **NOT** a function of the marketing management of a boutique?
- A. set the price of a certain product
 - B. decide the location of a new outlet
 - C. pay bonuses to salespeople
 - D. project the demand for the products using the sales trend
44. ABC Hotel, a hotel in Hong Kong, decides to expand the hotel to serve the Mainland tourists. Which of the following is **NOT** the role of the human resources manager in the expansion?
- A. acquire workers who are able to speak Mandarin fluently
 - B. provide Mandarin courses to existing workers
 - C. raise enough funds to acquire high quality workers
 - D. provide reasonable compensation to the newly acquired workers
45. Jerry is the operations manager of a factory manufacturing trainers. He recently received a number of complaints from customers about the poor quality of its products. Which of the following is a method that he **CANNOT** adopt to deal with the problem?
- A. ensure a reasonable stock level to avoid wear and tear from over-storage
 - B. redesign the products to reinforce the quality
 - C. set standards to ensure that trainers produced are of high quality
 - D. provide after-sales services to customers affected