

---

---

## MANAGEMENT DECISION MAKING

### Overview

Making critical decisions that provide the right direction and a winning position in today's business world is essential to good management. Business executives must make high-quality, nearly instantaneous decisions all the time. The ability to make the right decisions concerning vision, growth, resources, strengths, and weaknesses leads to a successful business. It is management's responsibility to manage for today and tomorrow, to manage for optimum efficiency, and to manage to compete in the marketplace.

This event consists of two parts: an objective test and a role play. If competing as a team, the objective test is taken collaboratively by the team. The top fifteen individuals/teams scoring the highest on the objective test will advance to the final round and participate in the role play component. The role play case will be a problem encountered by managers in the following areas: human resource management, financial management, marketing management or information systems management.

This event is for an individual or a team of two or three members.

### Competencies and Task Lists

<http://www.fbla-pbl.org/competitive-event/management-decision-making/>

### Website Resources

- Decision Making Process in Management - Problem Solving  
<http://kalyan-city.blogspot.com/2010/06/decision-making-process-in-management.html>
- Leadership & Management  
<http://www.managementconcepts.com/Domain/tabid/326/Default.aspx?id=Leadership%20%26%20Management>
- Management  
<http://www.quickmba.com/mgmt/>
- Management Concepts - The Four Functions of Management  
<http://www.buzzle.com/articles/management-concepts-the-four-functions-of-management.html>
- Management Glossary  
<https://www.thebalance.com/glossary-of-business-management-terms-2275721>

---

## MANAGEMENT DECISION MAKING SAMPLE QUESTIONS

- 1) Which one of the following is **not** one of the functions of management?  
A) controlling  
B) organizing  
C) evaluating  
D) planning

**Competency:** Management Functions and Environment

- 
- 2) An organization does **not** allow people
- A) to use power and authority more productively.
  - B) to set their own agenda.
  - C) to become specialized in their work tasks.
  - D) to understand and react to external forces more efficiently.

**Competency:** Management Functions and Environment

- 3) Which type of leader gives direct, clear, and precise orders with detailed instruction about what, when, and how work is to be done?
- A) democratic
  - B) autocratic
  - C) situational
  - D) open

**Competency:** Management Functions and Environment

- 4) Which one of the following is pictured atop the hierarchical pyramid?
- A) employees
  - B) executive
  - C) upper management
  - D) management

**Competency:** Business Ownership and Law

- 5) Pollution standards for a business are regulated by the:
- A) EEOC
  - B) USDA
  - C) FDA
  - D) EPA

**Competency:** Business Ownership and Law

- 6) Which one of the following is the process by the employer and a union to resolve differences?
- A) strike
  - B) walkout
  - C) cooling-off period
  - D) collective bargaining

**Competency:** Business Ownership and Law

- 
- 7) Words used in spoken or written messages are:
- A) senders
  - B) gestures
  - C) nonverbal symbols
  - D) verbal symbols

**Competency:** Information and Communication Systems

- 8) When speaking and corresponding with people from other cultures:
- A) expect others to adapt to your communication style
  - B) be careful about using humor
  - C) assume that the statements you have read about the culture are true
  - D) realize that English is the language of choice around the world

**Competency:** Information and Communication Systems

- 9) In the employee evaluation, the section that tells what should be done is called the:
- A) scope
  - B) conclusions
  - C) recommendations
  - D) appendices

**Competency:** Information and Communication Systems

- 10) Which type of visual aid should be used in a document to show detailed information and exact figures?
- A) photograph
  - B) legend
  - C) flowchart
  - D) table

**Competency:** Information and Communication Systems

- 11) \_\_\_\_\_ involves grouping individuals into specific groups, like small rural communities or a neighborhood subdivision.
- A) Social networking
  - B) Demographics
  - C) Geographics
  - D) Stereotyping

**Competency:** Information and Communication Systems

---

12) A process for identifying and furthering an organization's mission is called:

- A) strategic management
- B) tactical management
- C) short-term management
- D) operational management

**Competency:** Strategic Management

13) What involves the two primary activities of recruitment and selection?

- A) hiring process
- B) job analysis process
- C) competency inventory process
- D) performance appraisal process

**Competency:** Human Resource Management

14) Theory Y addresses which premise of workplace activity?

- A) Theory Z workers work better for theory X than theory Y.
- B) Employees like to work as they like to play or rest.
- C) Theory X is correct but needs some modification.
- D) Theory Y was created for Gen Xers.

**Competency:** Human Resource Management

15) Employees who suffer death, injury, or illness as a result from their work are covered by:

- A) Medicaid
- B) workers' compensation
- C) unemployment insurance
- D) Medicare

**Competency:** Human Resource Management

16) Employers are expected to make accommodations in work place facilities as part of the:

- A) Civil Rights Act
- B) Immigration and Reform and Control Act
- C) Americans with Disabilities Act
- D) Age Discrimination in Employment Act

**Competency:** Human Resource Management

- 
- 17) If your employer specifically states in the contract of employment, or the written statement of particulars of employment, that the rules apply, then that is an express term of employment and the rules and content of the handbook form which one of the following?
- A) employee guidelines
  - B) contractual terms
  - C) suggested guidelines
  - D) employee procedures

**Competency:** Human Resource Management

- 18) Copying and claiming someone else's written work as your work is an example of:
- A) trademark violation
  - B) plagiarism
  - C) patent violation
  - D) copyright violation

**Competency:** Ethics and Social Responsibility

- 19) Working capital is calculated by:
- A) subtracting cash outflow from cash inflow
  - B) subtracting total liabilities from total assets
  - C) calculating the total value of liquid assets
  - D) subtracting total expenses from total revenue

**Competency:** Financial Management

- 20) Consistency in policy development and enforcement in practices is called:
- A) policy foresight
  - B) practicality
  - C) fairness
  - D) democratic enforcement

**Competency:** Financial Management

- 21) Lean manufacturing is defined best by which one of the following?
- A) reduced number of facilities
  - B) small inventory balance
  - C) reduced material costs of parts
  - D) quick delivery

**Competency:** Financial Management

- 
- 22) Business interruption insurance:
- A) covers property losses resulting from fire, storms, accidents, theft, and vandalism
  - B) provides compensation for ongoing business expenses that occur if a business has a temporary shutdown due to a fire, flood, or other major problem
  - C) compensates business owners in the event of a bankruptcy or business failure
  - D) insures the lives of key executives because of their importance to the company's success

**Competency:** Financial Management

- 23) Which one of the following is subject to a double tax?
- A) sale of equipment
  - B) dividends
  - C) stock split
  - D) extraordinary revenue

**Competency:** Financial Management

- 24) The process of talking to other people about their jobs is called:
- A) mentoring
  - B) pestering
  - C) shadowing
  - D) networking

**Competency:** Careers

- 25) A marketing mix is the blending of which marketing elements?
- A) market, product, promotion, and price
  - B) price, product, customer, and location
  - C) location, distribution, price, and product
  - D) product, price, distribution, and promotion

**Competency:** Marketing

- 26) Economics is about:
- A) money
  - B) choices
  - C) inexpensive items
  - D) jobs

**Competency:** Economic Concepts

- 
- 
- 27) The owner of Paul's Diner solved the problem of customers experiencing long waits to be seated using which method?
- A) Osborn's creativity model
  - B) the Deming cycle
  - C) the Pareto diagram
  - D) PERT

**Competency:** Business Operations

- 28) Having too many products in inventory:
- A) usually causes a company to lose sales
  - B) increases employment
  - C) decreases costs
  - D) increases the risk that the products will become outdated before they are sold

**Competency:** Business Operations

- 29) What functional area maintains the recording and listing of plant equipment?
- A) maintenance
  - B) operations
  - C) capital assets
  - D) accounting

**Competency:** Business Operations

- 30) What field of study is concerned with planning physical layout, furnishings, and equipment for a business environment and analyzes for maximum efficiency.
- A) Architecture
  - B) Ergonomics
  - C) Utilization
  - D) Operations

**Competency:** Business Operations

---

## MANAGEMENT DECISION MAKING SAMPLE CASE STUDY

### PARTICIPANT INSTRUCTIONS

1. You have 20 minutes to review the case.
2. Presentation time is seven minutes. At six minutes, the timekeeper will stand and hold up a colored card indicating one minute is left and at seven minutes the timekeeper will stand and hold up a colored card indicating time is up.
3. The presentation is interactive with the judges who will ask questions throughout the presentations. The judges will play the roles of the board of directors for the Military Truck Company (a manufacturer of military trucks, aerial lifts, and fire trucks) with six