
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 is a team event composed of two or three members. This event consists of two parts: an objective test and a performance. The objective test is taken collaboratively by the team members, and the top fifteen teams scoring the highest on the objective test will advance to the final round and participate in the performance component.

Competencies and Task Lists

<http://www.fbla-pbl.org/docs/ct/FBLA/MANAGEMENTDECISIONMAKING.pdf>

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 DECISION MAKING SAMPLE QUESTIONS

1. ____ is the theory based on the premise that employees and managers come out ahead.
 - a. Mutual Intelligence
 - b. Empowered Leadership
 - c. Secondary Reward
 - d. Mutual Reward Theory

Competency: Management Functions and Environment

2. ____ involves how group members interact and influence one another.
 - a. Group support
 - b. Group interaction
 - c. Group description
 - d. Group dynamic

Competency: Management Functions and Environment

-
-
3. In return for payment of franchise fees, a franchisee is given:
- absolute independence
 - exclusive rights to sell the franchised product
 - a guaranteed profit
 - complete protection from business failure

Competency: Management Functions and Environment

4. A situational leader does **not**:
- make use of individual employees' strengths
 - adjust leadership to different circumstances
 - use autocratic style in all situations
 - understand the importance of flexibility

Competency: Business Ownership and Law

5. What type of business structure has the capability to make decisions quickly?
- corporation
 - partnership
 - franchise
 - sole proprietorship

Competency: Business Ownership and Law

6. To share certain information with selected people outside a company, such as suppliers and major customers, the company would use a(n):
- intranet
 - extranet
 - Internet
 - wide area network

Competency: Information and Communication Systems

7. A key component for negotiations is considering each stage of the interactions. Negotiations should never begin with:
- a concession
 - listening
 - a probe
 - an unrealistic offer

Competency: Information and Communication Systems

8. One good strategy to keep an audience of co-workers engaged during a presentation is to:
- avoid contact with specific members of the audience, focusing on a point at the rear of the room
 - avoid the use of visuals such as charts or pictures that will distract from the presentation
 - speak quickly to end the session early
 - provide handouts to guide the audience through the presentation

Competency: Information and Communication Systems

-
-
9. When giving a news brief to the media on your organization's response to a crisis situation that has emerged, one way to avoid miscommunication is to:
- define relative words
 - use abstract terms to avoid being committal
 - use as many words as possible
 - use acronyms instead of entire organizational names

Competency: Strategic Management

10. ___ is a strategic planning tool that helps managers identify critical events from the external environment that will have a direct impact on their decision making.
- Environmental scanning
 - Benchmarking
 - Phishing
 - Scenario building

Competency: Strategic Management

11. Which one of the following is **not** a benefit of strategic fit?
- efficient utilization of the workforce
 - harmony with suppliers and distributors
 - competitive individualized work environment
 - maximum utilization of equipment

Competency: Information and Communication Systems

12. Management by objectives means:
- the system of management that is based on bringing together experts into a team
 - giving authority to lower management to carry out certain jobs
 - setting objectives to bring about the achievement of the corporate goals
 - the control of the organization by the top CEO

Competency: Human Resources Management

13. Employees paid by piecework:
- are motivated to produce greater quantities in shorter periods of time
 - receive commission for the value of the amount they produce
 - are paid the same amount no matter how much they produce
 - are inclined to produce items slowly

Competency: Human Resources Management

14. One advantage of recruiting outside the company is that:
- there is no need to advertise the vacancy
 - it brings in new experience and skills to the firm
 - it is cheaper than internal recruitment
 - it avoids jealousy within the firm

Competency: Human Resources Management

-
15. In a company, what does delegation mean?
- the process of using goals as the best way of motivating managers to achieve corporate objectives
 - the giving of tasks by a manager to a subordinate
 - a system of management that relies on consulting employees before making decisions
 - a style of management supported by few employees

Competency: Ethics and Social Responsibility

16. The ___ principle is the idea that the morally right action is the action that produces the best consequences for everyone involved, **not** just for one individual.
- consequential
 - egoism
 - organizational
 - utility

Competency: Ethics and Social Responsibility

17. The ___ principle is the idea that the right thing for a person to do in any situation is the action that best serves the persons' own long-term interests.
- consequential
 - egoism
 - utility
 - organizational

Competency: Ethics and Social Responsibility

18. A stockbroker has _____ when investing the client's money.
- financial obligation
 - insider trading obligation
 - egoism obligation
 - fiduciary obligation

Competency: Financial Management

19. What is the usual time limit that short-term debt must be repaid to the lender with interest?
- one year
 - 30 days
 - 90 days
 - 60 days

Competency: Financial Management

-
20. Earnings reinvested in the business to replace equipment, add new facilities, or serve as financial protection is:
- profits
 - retained earnings
 - debt capital
 - dividends

Competency: Financial Management

21. Which statement is **true** about a corporation?
- Additional funds can be obtained through the sale of stock.
 - Owners are personally liable for all losses if the corporation fails.
 - The original owner cannot hold any position in the corporation.
 - Stockholders manage the day-to-day activities of the corporation.

Competency: Careers

22. ____ involves dedication to the employer.
- Multitasking
 - Work ethic
 - Job loyalty
 - Intuitive

Competency: Careers

23. Which one of the following is **not** a factor that producers consider when deciding which channels to select for distribution?
- special handling
 - number of users
 - perishability
 - containerization

Competency: Marketing

24. The number and type of businesses in a channel of distribution are determined by the:
- number of consumers
 - activities that need to be performed
 - product assortment
 - cost of the product

Competency: Marketing

25. Of the 25 million businesses in the United States, most:
- consist of one self-employed person
 - will become corporations
 - will grow into larger businesses
 - employ more than 25 people

Competency: Economic Concepts

26. The largest segment of union workers are:

- a. government workers
- b. construction workers
- c. garment workers
- d. automobile workers

Competency: Economic Concepts

27. In the short run, changes in the money supply:

- a. cause changes in the economy through rise and fall of interest rates
- b. cause inflation
- c. mean a lower interest rate
- d. cause deflation

Competency: Economic Concepts

28. The first activity in production planning is:

- a. researching the competition
- b. development of a production process
- c. hiring experts
- d. obtaining production resources

Competency: Business Operations

29. Which type of business operation is **not** common to almost every type of business?

- a. logistics
- b. safety and security
- c. scheduling
- d. manufacturing

Competency: Business Operations

30. In modern factories:

- a. supplies and parts move along conveyor belts to arrive just as they are needed
- b. customization of products has become more viable
- c. employees usually work completely on their own
- d. assembly lines are never used

Competency: Business Operations