



Introduction to Business Principles Assessment Answer Key

Name: _____

Date: _____

1. List three essentials or “needs” when starting up and managing a business.

Licensing or certification.

Tooling, machinery and equipment.

A marketing plan.

Operating policies.

An operating budget.

A staffing plan.

2. List four ways that a company can attract customers.

Advertise in local papers and radio.

Ask present customers to spread the word.

Distribute color brochures.

Telemarketing.

Give a “finder’s fee” to any customer who brings in a new customer.

Get a newspaper to do a story about your product.

Join groups and associations.

Invite sales representatives for a demonstration and tour of the plant



3. To be successful, a service business must be responsive to customer complaints even if the solution results in increased expenses.

A. *True*

B. *False*

4. List four ways to identify an employee's outstanding performance within an organization.

Has perfect attendance.

Is never tardy.

Skillfully performs tasks.

Demonstrates the ability to handle production problems.

Demonstrates creativity in solving problems with co-workers.

Maintains a neat appearance.

Skillfully performs tasks.

Has received training in operating various machinery and can be cross-utilized.

Maintains a clean and neat work environment.

Works well others and provides support.

5. If you go to a bank for a loan to start up a business, the bank will require you to submit a _____ to prove that you know how to finance the business, how to get customers, how to keep customers, how to staff the business and how to set operating policies.

A. *operating policies*

B. *staffing plan*

C. *marketing plan*

D. *business plan*

E. *operating budget*



6. A well known, successful business does not have to worry about competition.
- A. True
- B. False
7. List four ways that you can offer incentives to maintain customer satisfaction and loyalty.
- Provide a discount for paying in advance.*
- Maintain reasonable rates.*
- Provide a discount for builders and large contracts.*
- Maintain a product free of defects.*
- Provide products on time to meet customers' deadlines.*
- Hire high quality employees (trained, experienced and dependable).*
8. Match each item with its description.
- | | |
|------------------------------|--|
| <u>C.</u> Marketing Plan | A. Plan on where money will come from, how it will be spent for such expenses as rent, utilities, payroll, materials, etc. |
| <u>D.</u> Operating Policies | B. A plan that defines job responsibilities and functions. |
| <u>A.</u> Operating Budget | C. A plan that lets the community know about the product you are manufacturing. |
| <u>B.</u> Staffing Plan | D. A plan that indicates how an organization will be run, and how customers will obtain products and will pay for them. |



9. A company must be skilled at advertising and marketing its products because
- A. it is important to maintain customer satisfaction and retain customer business.
 - B. the company must work hard to maintain a competitive edge.
 - C. other companies will do what it takes to get your customers.
 - D. it is more difficult to get a dissatisfied customer back than to get a new one.
 - E. *All of the above.*
10. Customers will sometimes pay more for a product if they know they are getting more in terms of quality, safety, personal attention, etc.
- A. *True*
 - B. *False*