Period



# Business Organization, Management, and Leadership

## Part 1: Content Review

### Matching

Write the letter of the correct term for each definition on the line provided.

#### Terms

- A. goal
- B. procedure
- C. staffing
- D. controlling
- E. management

- F. interpersonal skills
- G. compromise
- H. teamwork
- I. negotiation
- J. mediation
- 1. To give up an individual idea, or part of an idea, so that the group can come to a solution.
  - \_\_\_\_\_ 2. Cooperative efforts by individual team members to achieve a goal.
- 3. The process of controlling and making decisions about a business.
- 4. When individuals involved in a conflict come together to discuss a compromise.
- \_\_\_\_\_ 5. Something to be achieved in a specified period of time.
  - \_\_\_\_\_ 6. The process of recruiting, hiring, training, evaluating, and compensating employees.
    - \_ 7. Helps people communicate and work well with each other.
  - 8. A continuous process of evaluating the progress in reaching goals and making corrections to plans, when necessary.
- 9. Process in which a neutral person meets with each side of a negotiation in an attempt to find a solution that both sides will accept.
  - 10. Describes how tasks should be completed.

#### **Multiple Choice**

Place the letter of the correct answer to each question on the line provided.

- 1. Something to be achieved in a specified period of time, generally less than a year is a(n) \_\_\_\_\_.
  - A. plan
  - B. short-term goal
  - C. long-term goal
  - D. procedure
- 2. An operating guide for using equipment is an example of a(n) \_\_\_\_\_.
  - A. procedure
  - B. objective
  - C. goal
  - D. organization chart
- \_\_\_\_\_ 3. \_\_\_\_\_ is when all the authority within a business rests with top management.
  - A. Departmentalization
  - B. Middle management
  - C. Decentralized organization
  - D. Centralized organization
  - 4. A foreman or shift manager is considered \_\_\_\_\_ management.
    - A. middle
    - B. first-line
    - C. top
    - D. organizational
  - 5. Which is *not* a type of management plan?
    - A. Strategic
    - B. Tactical
    - C. Procedural
    - D. Contingency
  - 6. Which of the following is an example of a leadership style?
    - A. Automatic
    - B. Academic
    - C. Democratic
    - D. Realistic
  - 7. \_\_\_\_\_skills are the ability to analyze a situation, interpret information, and make reasonable decisions.
    - A. Critical-thinking
    - B. Verbal
    - C. Collaboration
    - D. Listening
    - 8. Expressing individual needs with little interest in or respect to the needs of others is \_\_\_\_\_behavior.
      - A. aggressive
      - B. assertive
      - C. passive
      - D. creative

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- 9. The process of recognizing and resolving team disputes in a balanced and effective way is \_\_\_\_\_.
  - A. teambuilding
  - B. procedural guidance
  - C. middle management
  - D. conflict management
  - 10. Interactive forces within a group are known as \_\_\_\_\_.
    - A. brainstorming
    - B. compromising
    - C. group dynamics
    - D. mediating

#### Completion

In the space provided, write the word(s) that best completes each of the following statements.

 1.	Effective businesses establish guidelines for their organization which are sometimes called
 2.	A sentence that describes the purpose of a company and why it exists is a(n)
 3.	The of a business identifies the hierarchy of the employees within the business.
 4.	A diagram that shows the structure of an organization is a(n)
 5.	A(n) organization is when authority within a business is given to various managers that run their own department.
 6.	management consists of a company's board of directors, president, and other high-ranking managers.
 7.	The process of recruiting, hiring, training, evaluating, and compensating employees is
 8.	A hands-off approach to leadership is a(n) style.
 9.	A(n) system is used to acquire, organize, maintain, retrieve, and use information.
 10.	A(n) goal is one that is specific, measurable, attainable, realistic, and timely.

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### Part 2: Concept Review

### **Open Response**

*Write your response to each of the following statements or questions in the space provided. Use complete sentences.* 

1. What are the five functions of management? Briefly describe each function.

2. Compare the typical responsibilities of middle management positions and first-line managers.

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3. What are interpersonal skills? Give three examples of important interpersonal skills and explain how each helps a leader to be effective.

4. What are the common steps in a conflict-resolution model?

5. Think of a business you would like to start. Write a simple, one sentence mission statement for this company. Then, expand the mission statement to be more detailed.

### Part 3: Math Skills

#### **Mixed Mathematics**

Management is responsible for the success of a business. Some larger businesses have multiple stores, divisions, or subsidiaries with mangers that are in charge of each. Business owners often create goals that each of their managers must meet. It is then the responsibility of each manager to execute the plans and meet these goals. Performance is then measured to determine if success is being achieved. One way to measure performance is with numerical or quantitative standards called *metrics*. Two popular metrics are profit and profit/assets. Profit metrics measure the amount of profit earned by the manager of each store, division, or subsidiary. This is simply sales minus expenses:

sales - expenses = profit

Profit/assets metrics measure the amount of profit earned in relation to the amount of assets that are invested. It is often expressed as a percentage and is sometimes called the return on assets.

\_\_\_\_\_ profit total assets = return on assets, or profit/assets

To convert a value to a percent, move the decimal point two places to the right.

Answer the following questions involving performance metrics.

1. Creative Crafts is a specialty retailer of art and craft supplies with two stores. Performance metrics for the entire business last year are as follows:

Total Sales: \$350,000

Total Expenses: \$247,000

Total Assets: \$630,000

a. Calculate the profit for this business.

b. Calculate the profit/assets percentage for this business.

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2. The following shows the total performance data of Creative Crafts divided between its two stores. Store #1 is larger than Store #2 and has more invested in assets for the building, store fixtures, and inventory.

**Store #1:** Total Sales: \$200,000

Total Expenses: \$145,000

Total Assets: \$380,000

**Store #2** Total Sales: \$150,000

Total Expenses: \$102,000

Total Assets: \$250,000

a. Calculate the profit for Store #1.

b. Calculate the profit/assets percentage for Store #1.

c. Calculate the profit for Store #2.

d. Calculate the profit/assets percentage for Store #2.

3. Refer to data in the previous problem. The manager of Store #1 believes his store is performing better than Store #2 because his profits are greater. Is he correct? Support your opinion with performance metrics.

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- 4. Dog Bonz manufactures rawhide bones for dogs. Net sales last year were \$610,000 and expenses were \$440,000. Assets in the company total \$1,900,000. Calculate the following metrics.
  - a. Calculate the profit for Dog Bonz.

b. Calculate the profit/assets percentage for Dog Bonz.

- 5. The owner of Dog Bonz considers starting a new and separate division to make dog toys. This new division will require an investment in assets totaling \$800,000. Sales are expected to be \$420,000 with projected expenses of \$390,000.
  - a. Calculate the expected profit for the new dog toy division.

b. Calculate the profit/assets percentage for the new dog toy division.

c. How does the profit/assets metric of this new division compare to the existing business?