

1446-1445

2024

Introduction to Business | AOU

BUS110 | Final Exam Revision

Final Exam includes Chapter: (,7,9,10,11,14)

يتضمن في هذه الملف جميع أسئلة التشابرات الموجودة في

LMS

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How to study BUS110 effectively:

- 1- Review the recorded classes.
- 2- Fully understand the topics.
- 3- Read the revision questions 4- Memorize the answers.
- 5- Write down your answers to familiarize yourself with the exam.

Side notes:

- This revision was made to be shared for **FREE**
- Expect All questions to be in your exam, so study all the questions.
- Red @ sign = Indicates the common questions in previous exams
- On the exam the questions may come in a different form such as Explain, discuss, compare, describe, etc. so make sure to clearly understand the main idea of the questions and answers

Chapter 7 | Managing for quality and competitiveness

1. Explain what is meant by "Departmentalization"? and discuss its main four types ... support your answer with examples for each type? @

Departmentalization is a group of jobs within working units and it usually called departments/units/groups/divisions, and it have four types:

- **Functional departmentalization**

It's a group of jobs that perform similar functional activities, such as (finance, marketing, human resource). Moreover, decision making in Functional departmentalization involves more than one department and it might take long time, and it requires greater coordination.

- **Product departmentalization**

It's an organized jobs that are related to the products of the firm/business such as (Air craft equipment unit, elevator product division). Product division simplifies decision making and helps coordinate activities related to the product, and it emphasizes the product rather than achieving the overall objectives.

- **Geographical departmentalization**

It's a Grouped jobs based on geographical location according to the state, region, country, such as (middle East division, Europe division). it used in multinational corporations, and it requires a large administrative staff to coordinate operations.

- **Customer departmentalization**

It's an arranged jobs that meet the need of the diverse of customers type, such as (foreign customers, domestic customers, retail customers). It doesn't focus on the organization as a whole therefore it requires a large administrative staff to coordinate operations of diverse groups.

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2. Define: @

- Organizational Culture

It's the firm's shared values, beliefs, traditions, rules and **role models** for behavior, and **it can be expressed** Formally by the **mission statement** and **code of ethics**, and informally by the **dress code** and **work habits**.

- Organizational Chart

It's a **visual display** of the organizational structure that includes line of authority, staff relationships, lines of communication, and permanent committee arrangements.

3. Explain what is meant by " Organizational Structure " and discuss its four main forms? @

Organizational structure Refers to the arrangement or relationship of positions within an organization, and the main four forms are:

- **Line structure**

It's the simplest organizational structure where direct lines of authority extend from top managers to lowest employees of the organization; it has clear chain of command which enables managers to make decisions quickly, but it requires managers to have wide range of knowledge and skills

- **Line-and-staff structure**

It's a structure that have traditional line relationship between superiors and subordinates; line managers can focus on their area of expertise and staff managers provides advice and support on specialized matters; Line and staff organizations may have an issue with (overstaffing, employees lack of authority, unclear communication)

- **Multidivisional structure**

It's a structure that organizes departments into larger groups called divisions; And it occurs when organizations get bigger and more diverse, and divisions can be formed on the same bases as departments (customers and product and/or geography)

- **Matrix structure**

Structure that sets up teams from different departments, thereby creating two or more intersecting lines of authority; also called a project-management structure; it enhances cooperation and creativity and flexibility, but it may confuse employees on authority wise.

4. Explain what is meant by specializations ... and what are the reasons to specialize? @

Specialization is the division of labor\work into small specific tasks assignments of employee to do single task.

- Efficient performance; by mastering just one task rather than all tasks • Save time; worker won't waste their time shifting from one job to another.
 - Ease of training.
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5. What are negative consequences of Overspecialization? @

- Employee becomes bored
 - Job dissatisfaction
 - Poor quality work
 - Increased injuries
 - Increased employee turnover
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6. What is the difference between Groups and Teams? @

Group is two or more members who communicate with each other, and shares a common identity and goal, and has the same purpose, and creates individual work products, and runs efficient meetings to measure effectiveness indirectly, and discusses and delegate, and decides by one leader who is hold accountable for the whole group.

Team on the other hand is a small group whose members have complementary skills and have a common goals/approach, and has specific purpose that the team itself delivers, by creating collective work products, and encourages discussion and meetings to solve problems, and measures performance directly by evaluating collective work products, and discusses/decides and dose the real work together and shares leadership, and by sharing leadership accountability may be held individually and/or the whole group.

So, we can say that all teams are group but not all groups are teams.

Chapter 9 | Creating the human resource advantage

1. Define:

- **Human relations:** is the study of the behavior of individuals and groups in organizational settings

- **Motivation:** is an inner drive that directs a person's behavior toward goals

- **Goals:** is the satisfaction of some need

2-Explain the Motivation Process? @

A person who recognizes or feels a need is motivated to take action to satisfy the need and achieve a goal

_____ -

2- Explain human relations and determine why its study is important? سؤال اضافي من اهداف الوحدة

Human Relations: is the study of the behavior of individuals and groups in organizational settings. •

It involves motivating employees to achieve organizational objectives efficiently and effectively

- Becomes increasingly important over the years (as businesses strive to understand how to boost workplace morale)
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3. Discuss the two types of Rewards ... support your answer with examples. (Chose just one example of each)

Intrinsic rewards (inner):

They're the personal satisfaction and enjoyment you feel after attaining a goal.

Ex: An artist painting an art piece for personal feel of pleasure and accomplishment.

Ex: A florist, enjoyably arranging flowers for pride in his\her work.

Extrinsic rewards (external):

They're benefits and/or recognition from someone else

Ex: A basketball player, playing for winning trophies and medals.

Ex: An actress, filming a movie for the fame and fortune

4. Discuss in details: (should study all of the motivational theories listed below)

1-Maslow's Hierarchy of Needs @

This theory is arranged into five basic needs of people:

Physiological needs: the most basic human needs such as; water, food, home, clothing.

Security needs: protect individuals from physical and ecological harm.

Social needs: to be loved and companied and feeling accepted by others.

Esteem needs: the need for self-respect, and respect from others.

Self-actualization needs: the need to be the best one.

2-Herzberg's Two-Factor Theory @

This theory focuses on the job and the environment and it has two factors:

Hygiene factors: Aspects on the work setting and not the content of the work, such as; salary wage, job security, fair company policies, and comfortable and safe working conditions

Motivational factors: Aspects of the content of the work itself, such as; achievement, recognition, personal growth

3 -Equity Theory (with Personal Input-Output Ratio) @

Equity Theory is an assumption that how much people are willing to contribute to an organization depends on their assessment of the fairness/equity of rewards they receive in exchange.

Each worker develops a personal input-output ratio by:

- taking stock of his\her contributions to the organization, such as; time, effort, skills, and it called **(inputs)**
- assessing rewards offered by organization, such as; pay, recognition, promotions, and it called **(outputs)**

Compares ratio with other person in another organization; if ratios are close, individual feels treated equitably

4-McGregor's Theory X and Theory Y (with each theory assumptions) @

Theory X is the traditional view of management where it's assumed that workers generally dislike work and must be forced to do their jobs

Assumptions:

1-average person will avoid work when it's possible

2-most workers forced, controlled or threatened with punishment to get them to work 3-average worker prefers to be directed to avoid responsibility

Theory Y is the humanistic view of management where it's assumed that workers like to work to seek out responsibility in an attempt to satisfy their needs.

Assumptions:

1-the average person will accept and seek responsibility

2-people exercises self-direction and self-control to achieve objectives

3-people will commit to objectives when they realize that it will bring them personal rewards

5-Expectancy Theory @

Expectancy theory is a concept of motivation that depends on the person desire of something and how he\she is likely to get it.

When a person who want something and has a reason to be optimistic will be strongly motivated, in contrast when a person who want something and don't believe they're likely to get it may not be motivated to get it, although they really want it.

Management on the other hand should be transparent with employees about opportunities for advancement.

Chapter 10 | Creating the human resource advantage

1. Define: @

- **Human resources management (HRM):** All activities involved in determining an organization's human resource needs, as well as acquiring, training, and compensating people to fill those needs @

- **Job Analysis:** Determines, through observation and study to relevant information about a job, including specific tasks and skills, knowledge, and necessary abilities

- **Job Description:** It's a formal written explanation of a specific job, usually including job title, tasks, duties, responsibilities, and working conditions, relationship with other.

- **Job Specification:** It's a description of the qualifications necessary for a specific job, in terms of education, experience, and personal overall characteristics

- **Recruiting (internal and external):** Forming a pool of qualified applicants from which management can select employees internally by current employees and externally by agencies or websites posting job openings etc.

2. How does the human resources department plan the company's human resource needs during its planning period? @

Determining the current number of workforces, and estimating the number of employees who may retire or leave during planning period.

Estimating the number of new hires needed, and forecasts the availability of future qualified hires, and determine if layoffs is required.

Developing a strategy which may include outsourcing, automation or temporary works.

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3. Discuss the employees selection process?

It's process of selecting information about applicants and using that information to make hiring decisions

Moreover, the process includes, **application, interviews, testing and reference checking**, it can be lengthy and expensive but it's necessary in order to find applicants who can do the work and fit into the firm's structure and culture, and hiring selection must be careful to save future hiring expenses.

4. Explain what is the Applications? ... Explain what is the goal of this stage of the selection process?

It's the first stage of the selection process, where individuals fill out application forms and perhaps has a brief interview, and nowadays many companies accept online applications and may contain specific questionnaires to be answered by applicants.

The goal of this stage is to get acquainted with the applicants and weed out those who are obviously not qualified for the job.

5. After applications, the next phase of the selection process involves interviewing applicants. Explain what is the goal of this stage of the selection process?

The goal of interviewing applicants is that management can get detailed information about the applicant's experience, skills, and attitudes toward the job, and to get an idea whether the applicant would fit into the job or no.

Moreover, the interviewer can answer the applicant's questions regarding the job aspect, and these questions may be as revealing as their answers

6. In the Testing stage, what are the Aptitude, IQ or personality tests used for?

It's used to assess an applicant's potential for certain kind of work and ability to fit into the organization.

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7. What are the 10 common mistakes candidates make in interviewing? @

1. Not taking the interview seriously.
2. Not dressing appropriately.
3. Not appropriately discussing experience, abilities, and education.
4. Being too modest about your accomplishments.
5. Talking too much.
6. Too much concern about compensation.
7. Speaking negatively of a former employer.
8. Not asking enough or appropriate questions.
9. Not showing the proper enthusiasm level.
10. Not engaging in appropriate follow-up to the interview.

8. In the Testing stage, what are the Ability and performance tests used for?

It used to **determine** if the applicant has the skills necessary for the job, and may also have to undergo physical examinations to determine their suitability for some jobs.

Moreover, many companies require applicants to be screened for illegal drugs use to avoid loss in productivity

9. Before making a job offer, explain how the company should always check an applicant's references.?

Companies should check applicants by:

- **Verify** educational background and previous work experience
- **Search** on internet is typically done to discover social media activities, and public companies likely to extensively search for background check.

Some applicant's may misrepresent themselves on their resume, and often overlooked stage in the of selection process

Chapter 11 | Marketing developing relationships

1. Discuss the nature of marketing? @

Marketing is a group of activities designed expedite transactions by **creating, distributing, pricing,** and **promoting** goods, services, and ideas, and also create value by allowing people and businesses to obtain what they need and want.

Moreover, other functional areas of the business such as (finance, management) must be coordinated with marketing decisions, and marketing conduct.

There's some Misconceptions about marketing is that it manipulating consumers to get them to buy products they do not want, and just selling and advertising products/services/idea's which is wrong.

2. Define the exchange relationship... and discuss the exchange process?

Exchange relationship is the act of giving one thing to get something else in return, sellers exchange their (goods, services, ideas) to buyers (money, credit).

As an example, when you are willing to exchange your “**something of value**” money or credit for drinks or a new pair of shoes you consider those products more valuable or more important than holding on your cash or credit potential.

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3. What are the eight functions of marketing?

1-Buying

2-Selling

3-Transporting

4-Storing

5-Grading

6-Financing

7-Marketing Research

8-Risk Taking

4-Explain what is meant by the marketing concept? @

It's the *idea* that an organization should try to satisfy customers' needs through coordinated activities that also allow it to achieve its goals by:

- Finding out what consumers desire and then develop products/services/idea that fulfills their needs and wants.
- Continuously adapt, alter, and develop products to keep pace with changing customer needs and want.
- Coordinate its efforts throughout the entire organization to avoid products the customers don't need and want.

- Although customer satisfaction is the goal of the marketing concept, a business must also achieve its own objectives

5-The marketing concept has developed over time, discuss the three main marketing orientations?

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Our society and economic system have changed throughout time, and marketing has become more important as market become more competitive. however, there're 3 marketing orientations has been developed overtime and they are:

- **Production orientation:**

in 19th century **Industrial Revolution** was happening, new technologies such as; electricity, railways, and mass production techniques, which made it possible for manufactures to produce goods with high efficiency.

- **Sales orientation:**

in early 20th century the supply exceeded demand, which makes businesspeople realize and viewed sales as the primary means of increasing profits in what has become known as a **sales orientation**, and they believed that the most important activities were personal selling and advertising.

- **Market orientation:**

by the 1950s businesspeople began to recognize that even efficient production and extensive promotion did not generate sales, they found that **they must first determine the customers' needs** and want and then produce products, rather than making the products first and then trying to persuade customers that need them.

6. To implement the marketing concept and customer relationship management, a business needs to develop and maintain a marketing strategy... Explain what is meant by marketing strategy and its main two components? @

A plan of action for **developing, pricing, distributing,** and **promoting products** that meet the needs of specific customers, and it has two main components:

Selecting a target market: by choosing a specific group of consumers on whose needs and wants a company focuses its marketing efforts

Developing an appropriate marketing mix: by developing the four marketing activities — product, price, promotion, and distribution — that the firm can control to achieve specific goals *within a dynamic marketing environment*.

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7. Define:

- **Market:** It's a group of people who have a need, purchasing power, and the desire and authority to spend money on goods, services, and ideas

- **Target market:** It's a specific group of consumers on whose needs and wants a company focuses its marketing efforts

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- **Total-market approach:** it's a market segmentation approach whereby a company tries to appeal to everyone and assumes all buyers have similar needs, such as bottled water company.

Concentration approach: it's a market segmentation approach whereby a company develops one marketing strategy for a single market segment. Such as; Porsche where its marketing efforts towards high-income people who want to own high-performance vehicles

Multisegment approach: it's a market segmentation approach whereby the marketers aim its efforts at two or more segments, developing a marketing strategy for each. Such as; ford vehicles, where they designed separate marketing strategies for racers, commuters, and heavyduty drivers.

- **B2B (with examples):** Business-to-business (B2B) marketing involves marketing products to customers who will use the product for resale, direct use in daily operations, or direct use in making other products

- Companies that produce tire casings sell them to car manufacturers.
- Supermarkets order items at wholesale prices to sell at higher prices to individuals.

-B2C(with examples): Business-to-consumer (B2C) marketing is marketing aimed directly to the end user

- *Starbucks coffee*; where the product is sold directly to the consumer
- *Amazon*; where products are purchased and shipped directly to the end users

- **Market segmentation:** It's a strategy whereby a firm divides the total market into groups of people who have relatively similar product needs

- **Market segment:** its a collection of individuals, groups, or organizations who share one or more characteristics and thus have relatively similar product needs and desires

8. Discuss the 3 target market strategies(or Market Segmentation Approaches)? @

(With examples)

There're 3 target market strategies:

- 1- **Total-market approach:** it's a market segmentation approach whereby a company tries to appeal to everyone and assumes all buyers have similar needs, such as salt , bottled water company.
 - 2- **Concentration approach:** it's a market segmentation approach whereby a company develops one marketing strategy for a single market segment. Such as; Porsche where its marketing efforts towards high-income people who want to own high-performance vehicles
 - 3- **Multisegment approach:** it's a market segmentation approach whereby the marketers aim its efforts at two or more segments, developing a marketing strategy for each. Such as; ford ,card brand where they designed separate marketing strategies for racers, commuters, and heavyduty drivers.
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9. Companies segment markets on the basis of several variables... discuss these 4 segmentation variables?

Demographic: it's about age, gender, race, education, family size, social class, etc. These characteristics are often closely related to customers product needs and purchasing behavior, and they can be readily measured.

Geographic: it's about the climate, terrain, natural resources, subculture values. These influence consumers' needs and product usage.

Psychographic: it's about the lifestyle, motives, and personality characteristics. Some marketers customize several products packaging to satisfy different lifestyle.

Behavioristic: it's some characteristics of consumer's behavior toward the product. These characteristics commonly involve some aspect of the product use.

10. The second step in developing a marketing strategy is to create and maintain a satisfying @ marketing mix... Explain what is meant by marketing mix and discuss each of its components?

It's the four marketing main activities that firm can control and achieve specific goals within a dynamic marketing environment, and they're:

Product: it's a complex mix of tangible and intangible product that provide satisfaction and benefits, such as goods like a car or book or Tv , services like dry cleaning or banking ,idea like advice for a fee

Price: it's a value placed on an object exchanged between a buyer and a seller

Distribution: making products available to customers in the quantities desired

Promotion: a persuasive form of communication that attempts to expedite a marketing exchange by influencing individuals, groups, and organizations to accept goods, services, and ideas.

Chapter 14 | Financing the enterprise

1. Define:

- **Accounting:** is the recording and measurement and interpretation of financial information

- **Private accountant:** Employed by large corporations to prepare and analyze their financial statements, and deeply involved in the most important financial decisions of the organization

- **Certified Management Accountant (CMA):** Is a private accountant who is certified by the National Association of Accountants and who have some managerial responsibility

- **Certified Public Accountant (CPA):** A state certified individual who provide accounting services, ranging from the preparation and filing tax returns to complex audits of corporate financial records.

- **Managerial Accounting:** is the internal use of accounting statements by managers in planning and directing the organization's activities

- **Cashflow:** The movement of money through an organization on daily, weekly, monthly or yearly basis

- **Budget:** An internal financial plan that forecasts expenses and revenues over a set period of time

- **Annual report:** it's a yearly summary of an organization's financial information, and growth plans for owners and potential investors

- **Journal:** its time-ordered list of account transactions

- **Ledger:** a book or computer file with separate sections for each account

- **Trial Balance:** it's a summary of the balances of all the accounts in the general ledger

- **Depreciation:** it's the process of spreading the costs of long-lived assets such as building and equipment over the total number of accounting periods in which they are expected to be used

- Account payable:** The amount a business owes to suppliers for goods and services purchased with credit

- **Account receivable:** the money owed by business from its clients or customers who have promised to pay for the products at a later date

 - **Accrued Expenses:** An account representing all unpaid financial obligations incurred by the organization -
 - **Current Assets:** Assets used or converted into cash within one year.
 - **Current Liabilities:** A company's financial obligation to short-term creditors, which must be repaid within one year
 - **Owner's Equity:** Owner's equity equals assets minus liabilities and reflects historical value *
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2. Explain why do Managers and owners use financial statements and accounting information (Internal and External users)?

Managers and owners use financial statements to support **internal** planning and control and for **external** purposes such as reporting to the internal revenue services, stockholders, creditors, etc.

Moreover, financial statements can be used **externally** by stakeholders such as; tax collector agencies, and regulatory agencies for filling income taxes, obtaining credit and reporting results to stockholders.

3. Explain the Accounting equation?

The accounting equation is a **formula** that shows the sum of a company's liabilities and Owners' Equity are equal to its total assets (Liabilities + Owners' Equity = Assets).

Moreover, the clear-cut relationship between a company's liabilities, assets and equity are the backbone to double-entry bookkeeping.

5. Explain what is meant by "Double-Entry Bookkeeping system"? @

It's a system of recording and classifying business transactions that maintains the balance of the accounting equation by:

- **Balance:** to keep the accounting equation in balance.
- **Classification:** all business transactions are classified as either asset.
- **Break down:** assets broken down into cash.

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6. Explain what is meant by "the Accounting Cycle"?

It's the four steps procedure of an accounting system, and they are:

- 1- **examine** source documents
 - 2- **record** transactions in an accounting journal
 - 3- **post recorded** transactions to ledger
 - 4- **preparing** financial statements
-

7. List the main three financial statements?

- **The Income Statement**
 - **The Balance sheets**
 - **The Statement of Cashflows**
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8. In the "Statement of Cash Flows", the change in cash is explained through details in three categories ... what are they?

- Cash from operating activities
- Cash from investing activities

- Cash from financing activities

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9. Discuss in detail each: "Income statement", "Balance Sheet" and "Cash flow statement" and the goal of each one? @

Income statement is a financial report that shows an organization's profitability over a period of time, month, quarter, or year, it also called profit and loss (P&L) statements.

Moreover, income statements include the total amount of revenue from the sales or services and the expenses of the company during the time of income statements applies, to illustrate the net income of company after taxation.

Goal: income statement shows the clearest possible pictures of the company's overall revenues and the costs incurred in generating those revenues.

Balance Sheet is a snapshot of an organization's financial position at a given moment. However, balance sheet's shows assets and funding used to pay these assets such as; bank debt or owners' equity Furthermore, balance sheet is calculated by balancing a company's current assets with its current liabilities and owners' equity who contributions to the organization.

Goal: The purpose of a balance sheet is to disclose a company's capital structure, liabilities, liquidity position, assets and investments, also Balance sheets are an essential part of decision-making.

Cash flow statement Cash flow statement, illustrate the changes in the company's cash from the start of accounting period to the end, and it includes cash from **operating, investing, and financing** activities in the companies.

Moreover, Statement of cash flows takes the cash balance from one year's balance sheet and compares it with the next while providing detail about how the company used the cash.

Goal: Cash flow statement provides detailed information about how the company used the cash, and also highlights the future prospective cash positions.

Wish you all the best in your exam <3

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