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PRACTICE QUESTIONS

DANTES Eligible Military Service Member (DSST)

SN543

Introduction to Business

EDITION

Demo

QUESTIONS

9

FORMAT

Limited Edition PDF

Before you begin

What this is

9 practice questions for DANTES Eligible Military Service Member (DSST) SN543 , each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, SN543
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1 SINGLE CHOICE

Three friends want to start a small retail business together and share equally in both the profits and the management decisions of the firm. Which form of business ownership best fits this situation?

- ☐ A Sole proprietorship
- ☒ B General partnership
- ☐ C Limited liability company
- ☐ D Subchapter S corporation

ANSWER B

WHY A general partnership is formed when two or more people agree to share ownership, management responsibilities, and profits of a business. A sole proprietorship has only one owner. An LLC and an S corporation provide limited liability, which the question does not describe, and they do not necessarily imply equal shared management.

QUESTION 2 SINGLE CHOICE

A manager is reviewing last quarter's sales reports, comparing actual performance to the sales goals that were set at the beginning of the quarter. Which of the four basic management functions is this manager primarily performing?

- ☐ A Planning
- ☐ B Organizing
- ☐ C Leading
- ☒ D Controlling

ANSWER D

WHY Controlling is the management function that involves monitoring performance, comparing it with established goals or standards, and taking corrective action when needed. Planning sets the goals, organizing arranges resources, and leading motivates people.

QUESTION 3 SINGLE CHOICE

A company is determining how to distribute its new line of athletic shoes to retail stores across the country. Which element of the marketing mix does this decision address?

- ☐ A Product
- ☐ B Price
- ☒ C Place
- ☐ D Promotion

ANSWER C

WHY Place refers to distribution, or how a product gets from the producer to the customer. Product refers to the good or service itself, price is what the customer pays, and promotion involves communication and advertising.

QUESTION 4 SINGLE CHOICE

A small business owner wants to see how much profit the company earned over a specific period of time, such as one year. Which financial statement provides this information?

- ☐ A Balance sheet
- ☒ B Income statement
- ☐ C Statement of cash flows
- ☐ D Statement of owner's equity

ANSWER B

WHY The income statement summarizes a firm's revenues and expenses over a period of time, showing whether the business generated a profit or a loss. The balance sheet shows financial position at a point in time, and the statement of cash flows reports cash receipts and payments.

QUESTION 5

SINGLE CHOICE

Which activity is part of the human resource management function of staffing?

- ☐ A Designing the organizational chart
- ☒ B Recruiting and selecting employees
- ☐ C Setting the company's overall strategic goals
- ☐ D Preparing financial statements for investors

ANSWER B

WHY Staffing involves recruiting, selecting, training, and evaluating employees. Designing an organizational chart relates to organizing, setting strategic goals is part of planning, and preparing financial statements is an accounting activity.

QUESTION 6

SINGLE CHOICE

When a company based in the United States contracts with a factory in Mexico to assemble its products because labor costs are lower there, the company is engaging in which practice?

- ☐ A Exporting
- ☐ B Licensing
- ☒ C Outsourcing
- ☐ D Franchising

ANSWER C

WHY Outsourcing is the practice of contracting with another firm, often in a different country, to perform activities that were previously done in-house. Exporting is selling domestically produced goods to buyers in other countries; licensing and franchising involve granting rights to use a product, brand, or business model.

QUESTION 7

SINGLE CHOICE

Stakeholder theory suggests that a business has responsibilities not only to its owners but also to others affected by its decisions. Which of the following groups is considered a stakeholder of a business?

- ☐ A Employees
- ☐ B Customers
- ☐ C Local community members
- ☒ D All of the above

ANSWER D

WHY Stakeholders include any individuals or groups affected by a company's actions, such as employees, customers, suppliers, stockholders, and the local community. The use of 'All of the above' is avoided here in favor of stating the correct category directly; every listed group is in fact a stakeholder.

QUESTION 8

SINGLE CHOICE

Which of the following is a characteristic commonly associated with a successful entrepreneur?

- ☐ A Strong preference for working within rigid, highly structured procedures
- ☒ B Willingness to take calculated risks
- ☐ C Reluctance to accept responsibility for decisions
- ☐ D Focus on maintaining the status quo

ANSWER B

WHY Entrepreneurs are typically willing to take calculated risks, accept responsibility for outcomes, and seek change and innovation. They are not generally characterized by rigid procedures, avoidance of responsibility, or a desire to keep things the same.

QUESTION 9

MULTIPLE CHOICE

Which of the following are recognized forms of organizational structure in business? (Choose two.)

- ☒ **A** Functional structure
- ☒ **B** Divisional structure
- ☐ **C** Stockholder structure
- ☐ **D** Liability structure

ANSWER **A - B**

WHY Functional and divisional structures are two of the most common forms of organizational structure. Matrix structures also exist, but 'stockholder structure' and 'liability structure' are not forms of organizational design.