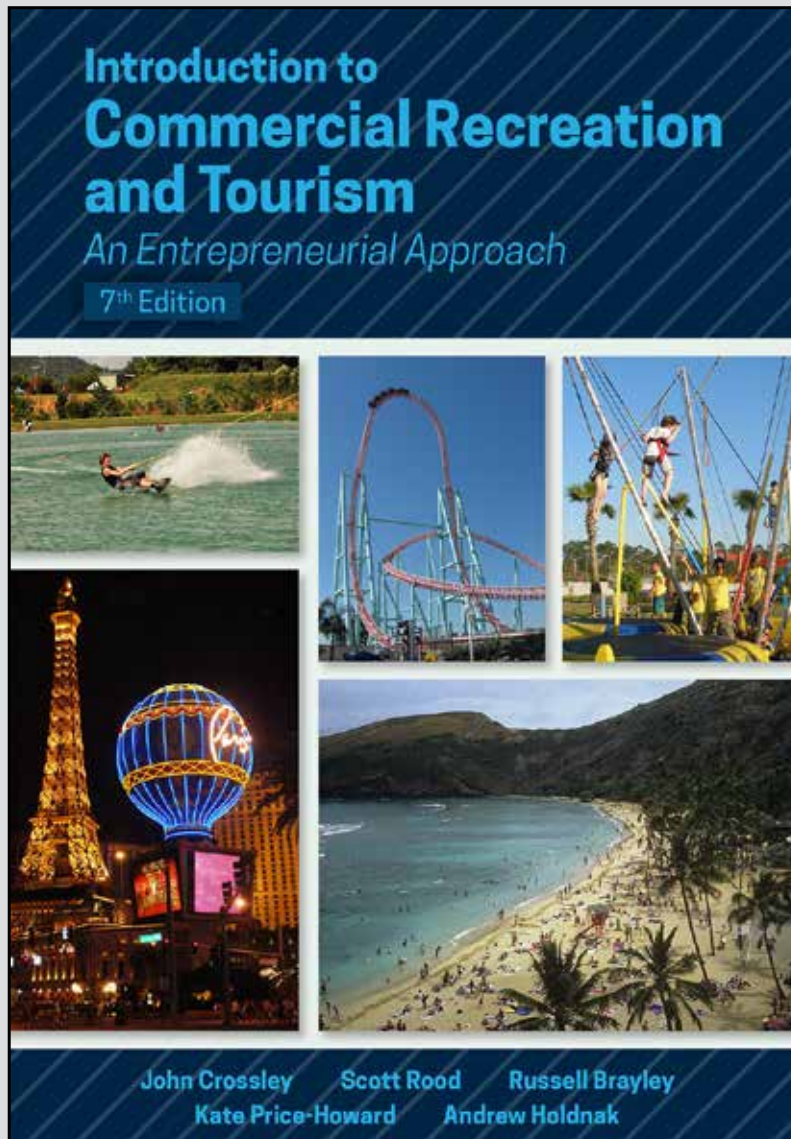


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1

1. A recreation-related organization that searches for trends and changes in its environment and then brings together and manages resources to exploit those changes as an opportunity is an example of:
 - a. Tourism
 - b. Commercialized public recreation
 - c. **Entrepreneurial recreation**
 - d. Commercial recreation
2. Travel agencies, equipment wholesalers, and tourist/visitor bureaus are examples of what?
 - a. Local commercial recreation industry
 - b. Hospitality
 - c. Lobbyists
 - d. **Facilitator industries**
3. Which group of ancient people was active in tourism?
 - a. Greeks
 - b. Syrians
 - c. Romans
 - d. All of the above
 - e. **Greeks and Romans**
4. Pleasure gardens of the 16th century are said to have been the precursors of what modern institutions?
 - a. Stadiums
 - b. Public parks
 - c. Massage parlors
 - d. **Amusement parks**
5. Many of the technological innovations for travel and for recreation products were first developed for what purposes?
 - a. Political
 - b. Educational
 - c. **Military**
 - d. Taxation
6. After the 9/11/01 terrorism attacks, how much did air travel decline for the next year?
 - a. Almost 100%
 - b. About 50%
 - c. About 25%
 - d. **About 10%**
 - e. There was no decrease

7. Which of the following would be most likely to fit into more than one of the three main components of the commercial recreation and tourism industry?
 - a. **Resorts**
 - b. Sports and fitness clubs
 - c. Movie theaters
 - d. Airlines
8. What invention of Thomas Cook's do travelers still use today?
 - a. Soft-sided luggage
 - b. Travel pillows
 - c. Security wallets
 - d. **Traveler's checks**
9. What helped to fuel growth in commercial recreation and tourism after World War II?
 - a. Healthy economy
 - b. Increase in discretionary income
 - c. Interstate highways
 - d. **All of the above**
 - e. A & B only
10. What is an example of extra services that can affect the overall profitability of a commercial recreation enterprise?
 - a. Souvenir sales
 - b. Instructional classes at craft stores
 - c. Commercial photographers on cruise ships
 - d. **All of the above**
 - e. A & C only
11. Travel agencies, equipment wholesalers, and tourist/visitor bureaus are examples of what?
 - a. Local commercial recreation industry
 - b. Hospitality
 - c. Lobbyists
 - d. **Facilitator industries**
12. The five major steps or components of the recreation experience include (1) anticipation, preparation, and planning; (2) travel to; (3) on-site participation and/or purchase; (4) travel from; and (5) ____.
 - a. **Recollection**
 - b. Remotivation
 - c. Mail order purchases
 - d. Satisfaction surveys
13. Which of the five major components of the recreation and tourism experience is usually the primary revenue generator for a commercial recreation and tourism business?
 - a. Anticipation, preparation, and planning
 - b. **On-site participation and/or purchase**
 - c. Travel to and from
 - d. Recollection

14. The role of government in commercial recreation may include:
- Provide, maintain, and regulate the infrastructure
 - Promote tourism and commercial development
 - Provide low-cost introductory programs
 - Leasing of concessions for food, beverage, and other amenities
 - All of the above**
 - A & B only
15. After the railroads, _____ became the great American middle-class tradition.
- Bowling
 - Tennis
 - Basketball
 - Vacationing by auto**
16. The provision of recreation by a government agency when it charges a fee is not “commercial recreation” because government does not have the business expense of paying property tax and income tax.
- True**
 - False
17. Commercial recreation business never has negative impacts on a community.
- True
 - False**
18. Products and services that significantly change a marketplace are known as:
- Inventions
 - Disruptive technologies**
 - New technologies
 - Creative technologies
19. Positive impacts of commercial recreation and tourism business may include:
- Increased employment and economic growth for a community
 - Increased property values
 - Increased tax revenue
 - All of the above**
 - A & C only
20. The largest category of expenditures in the commercial recreation and tourism industry is:
- Airlines
 - Hotels and other traveler accommodations
 - Food services and drinking places**
 - Motion picture production and theaters

2

1. What are recommended ways to overcome barriers to entrepreneurship within organizations?
 - a. Develop a business plan
 - b. Change the budget schedule each year
 - c. Get small decisions in your favor rather than try to sell a big untested idea
 - d. Find allies and sponsors
 - e. **All but B**
2. The least risky “source of innovation” according to Drucker is:
 - a. **The unexpected success or failure**
 - b. The process need
 - c. The bright idea
 - d. The demographic-based need
3. Which of the “four faces of the entrepreneur” needs to be the most pragmatic?
 - a. The explorer
 - b. The artist
 - c. **The judge**
 - d. The warrior
4. Which does an “intrapreneur” not need?
 - a. To find a sponsor
 - b. To pirate resources
 - c. **Constant publicity about his/her efforts**
 - d. A business plan
5. If you have a business partner who is full of energy and great at carrying out work tasks such as making sales calls, in which of the “four faces of an entrepreneur” could you afford to be weak?
 - a. The explorer
 - b. The artist
 - c. The judge
 - d. **The warrior**
6. According to Drucker, the entrepreneurial strategy called “fustest with the mostest” is:
 - a. Used for dominance of a new market
 - b. Likely to fail more often than it succeeds
 - c. Can be highly rewarding
 - d. **All of the above**
 - e. A & C

7. Entrepreneurs typically:
 - a. Have an easy come, easy go attitude
 - b. Work primarily by intuition
 - c. **Are realistic, calculating risk takers**
 - d. All of the above
8. Entrepreneurs typically:
 - a. Know their limitations
 - b. Are sensitive to good ideas
 - c. Are mentally tough
 - d. **All of the above**
9. Drucker's "hit 'em where they ain't" strategy to bring an innovation to the marketplace is based on the assumption that:
 - a. **The "fustest with the mostest" strategy will fail for another company**
 - b. You know demographic trends well in advance
 - c. You have changed public opinion about a product or service
 - d. You have more financial resources than the competitors have
10. Drucker's innovation source that is based upon "replacing a weak link" is the:
 - a. Change in perception
 - b. Bright idea
 - c. Unexpected success or failure
 - d. **Process need**
11. Good advice regarding an entrepreneurial concept is:
 - a. Avoid being capital expenditure intensive, labor intensive, or inventory intensive
 - b. Invest your time and money in what you know and like
 - c. Strive for a business concept that will have repeat business
 - d. Create emotional appeal for the customer
 - e. **All of the above**
12. Which is not one of the key ideas of Peter Drucker's systematic entrepreneurship?
 - a. **Be willing to invest at least half of your personal assets**
 - b. Monitor the environment
 - c. Search for changes in the environment to find opportunity and analyze the opportunity
 - d. Shift resources to take advantage of the opportunity
13. Which are good principles of entrepreneurial management?
 - a. Stick to what you know, but grow to learn more
 - b. Watch your business like a hawk and know the financial numbers
 - c. If you make a bad decision, admit it and correct it immediately
 - d. **All of the above**
 - e. B & C only

14. A typical entrepreneur tends to be:
 - a. A calculated risk taker
 - b. Motivated primarily to make money
 - c. Competitive and wants to win at everything
 - d. All of the above
 - e. **A & C only**
15. Entrepreneurs are motivated primarily by money.
 - a. True
 - b. **False**
16. George Millay was a successful entrepreneur who:
 - a. Started 12 Hawaiian-themed restaurants
 - b. Started SeaWorld
 - c. Started Magic Mountain theme park (now Six Flags)
 - d. Started Wet 'n Wild, the first water theme park in America
 - e. **All of the above**
 - f. B & C only
17. Many entrepreneurs have been successful in starting companies in difficult economic times.
 - a. **True**
 - b. False
18. According to the text, high potential areas for entrepreneurs include:
 - a. Senior care and personal care
 - b. Children's enrichment
 - c. Racquetball centers
 - d. All of the above
 - e. **A & B only**
19. Benefits of the sharing economy, also known as collaborative consumption, include:
 - a. Minimal start-up costs
 - b. Peer-to-peer financing opportunities
 - c. Builds easily into existing business
 - d. **All of the above**
 - e. A & B only
20. Examples of the sharing economy include Uber and Airbnb.
 - a. **True**
 - b. False

3

1. The interchange of recreational activities to satisfy the user's motives, wishes, and desires is known as:
 - a. **Substitution**
 - b. Interfacing
 - c. Carte blanche
 - d. Economic flux
2. The quantity of a product or service that consumers will buy at a given price at a given point in time is known as:
 - a. Supply
 - b. **Demand**
 - c. Equilibrium
 - d. Elasticity
3. If a business is varied enough to have return visitors, has attained an optimal cash flow, and is the optimal size for the best recreation experience, it is said to have reached:
 - a. Peak flow
 - b. Efficacy
 - c. Critical volume
 - d. **Critical mass**
4. A clustering of similar businesses is an example of what phenomenon?
 - a. **Gravity effect**
 - b. Turnover
 - c. Multiplier factor
 - d. Ripple effect
5. The number of times a tourist dollar is respent in a local economy is known as the:
 - a. Gravity effect
 - b. Critical mass
 - c. **Multiplier factor**
 - d. Ripple effect
6. Another term for the 80/20 Principle is the:
 - a. Three-quarters concept
 - b. Principle of majority
 - c. Multiplication factor
 - d. **Repeat visitor concept**
7. According to price elasticity of demand, a market in which a change in price produces a proportionally greater change in demand can be described as:
 - a. **Relatively elastic**
 - b. Relatively inelastic
 - c. Proportionally expanding

8. An example of a commercial recreation business whose high season runs from May through August is a/an:
 - a. **Amusement park**
 - b. Toy store
 - c. Fitness gym
 - d. All of the above
9. Due to the seasonal nature of the commercial recreation and tourism industry, many businesses will:
 - a. Hire seasonal employees
 - b. Create off-season events to draw in more people
 - c. Limit hours of operation or close for the off-season
 - d. **All of the above**
 - e. A & B only
10. The 80/20 Principle declares that the majority of the business comes from a small segment of loyal customers; therefore, go the extra mile for them.
 - a. **True**
 - b. False
11. The demand for auto gas is typically:
 - a. Relatively elastic
 - b. **Relatively inelastic**
 - c. Unit or neutral elasticity
 - d. Nonelastic
12. The gravity effect refers to:
 - a. Pulling a business down
 - b. Holding a business in its place
 - c. **The pull exerted by a major recreation attraction**
13. The seasonal nature of commercial recreation and tourism means that business can be affected by:
 - a. Weather
 - b. Public school schedules
 - c. Holidays
 - d. **All of the above**
 - e. A & C only
14. To survive the "off-season," a business may:
 - a. Use all-weather structures
 - b. Offer different products or services
 - c. Reduce prices and hold events to draw customers
 - d. **All of the above**
 - e. B & C only
15. The cyclical nature of commercial recreation and tourism means that:
 - a. **There are cycles of interest and activity and participation will increase and decrease over time**
 - b. There are cycles when foreign tourists come or do not come to the destination
 - c. There are cycles when employees are good workers and times when they are not
 - d. All of the above

16. Lower interest rates make it difficult for consumers to finance the purchase of a recreational vehicle, a motor boat, or a vacation home.
 - a. True
 - b. **False**
17. The theory that in a static or constant economy, gains of market share by any enterprise will be offset by commensurate losses of market share by competing enterprises is known as:
 - a. Marketability
 - b. **Zero sum market**
 - c. Expansion
 - d. Intermittent nature
18. The best strategy for increasing participation by individuals lacking specific skills or abilities would be to:
 - a. Seek a different market
 - b. Emphasize value for the dollar
 - c. Plan to pay staff more
 - d. **Provide beginner-level equipment, facilities, and instruction**
19. The intermittent nature of recreation means that there are periods of heavy and light participation during:
 - a. Certain days of month
 - b. Certain days of week
 - c. Certain hours of the day
 - d. **All of the above**
 - e. B & C only
20. Which is not a characteristic of a commercial recreation and tourism business that has achieved critical mass?
 - a. Best quality of experience for customers
 - b. Retains customers on-site by providing a total package of amenities
 - c. **Has marketing campaign that includes endorsements from well-known celebrities**
 - d. Varied enough to keep participants coming back
 - e. Balanced for optimal cash flow
21. Cooperative advertising is often a good idea for commercial recreation and tourism businesses that are:
 - a. Funded by government loans
 - b. **Located in a geographic area that has a gravity effect**
 - c. Seasonal in nature
 - d. Managed by highly experienced professionals
22. Which situation tends to help increase foreign tourism to the U.S.?
 - a. The U.S. dollar increases in value compared to foreign currencies
 - b. **The U.S. dollar decreases in value compared to foreign currencies**
 - c. The U.S. increases its production of cars for rental car companies
 - d. The U.S. bans all street mime performances
23. When oil prices drop, one of the industries that benefit the most is airlines.
 - a. **True**
 - b. False

24. Economic multiplier factors for tourism destinations are usually higher for communities that import large amounts of labor, food products, and manufactured goods.
- a. True
 - b. **False**
25. The greatest barrier for people's lack of participation in commercial recreation and tourism activities is:
- a. Family status
 - b. Lack of money
 - c. Lack of interest
 - d. Lack of time
 - e. A & C
 - f. **B & D**

4

1. Which type of market demand analysis is best used by franchises and large chains?
 - a. Application of standards
 - b. Trend analysis
 - c. **Comparable projects method**
 - d. Participation rate projection
2. A market in which participation already exists in the geographic area to be served by a new business is known as the:
 - a. New market
 - b. Cyclical market
 - c. **Established** market
 - d. Bull market
3. Discounts, superior service, convenience of locations, and special features are all examples of what concept?
 - a. Differential mediation
 - b. Competitive capitalism
 - c. **Competitive differentiation**
 - d. Economic differentiation
4. Employee availability, competition, transportation availability, community character, and climate are examples of:
 - a. **Community environment**
 - b. Business environment
 - c. Differentiation
 - d. Demographics
5. Tax rates, real-estate costs, business trends, and cooperation of government can be described as:
 - a. Community environment
 - b. **Business environment**
 - c. Differentiation
 - d. Demographics
6. What process results in a comprehensive analysis that determines the potential for reaching financial goals?
 - a. Market watch
 - b. Risk management
 - c. **Feasibility study**
 - d. Accountability study

7. What would be a good source of information for a feasibility study?
 - a. SBA
 - b. Local government
 - c. The competition
 - d. **All of the above**
 - e. A & B only
8. A business enterprise owned and operated by one person is known as a/an:
 - a. **Sole proprietorship**
 - b. Limited partnership
 - c. Corporation
 - d. LLC
9. Which is not an example of a start-up cost for a new business?
 - a. Business initiation expenses
 - b. Capital development
 - c. **Operational costs**
 - d. Preopening operations
10. Which is not an element of the “Cs of credit?”
 - a. Circumstances
 - b. Collateral
 - c. Conditions
 - d. **Convenience**
11. An advantage of external funding for private businesses is:
 - a. Lower cost of interest payments or distribution of profits
 - b. **Distribution of risk to others**
 - c. Less government regulation
 - d. Less conflicting advice from others
12. Which type of business structure usually provides the best protection of personal assets for the owners?
 - a. Sole proprietorship
 - b. General partnership
 - c. **Corporation**
13. What sort of agreement permits a buyer/operator of a business to sell the products or services of the seller?
 - a. Corporation
 - b. Market chain
 - c. **Franchise**
 - d. Investor
14. Which source of debt financing to start a commercial recreation and tourism business typically has the lowest interest rate?
 - a. **SBA loan**
 - b. Internet loan source
 - c. Banks and credit unions
 - d. Credit cards

15. An advantage of debt financing (compared to equity financing) for private businesses is:
- Total cost of financing (principal and interest)
 - Distribution of risk to others
 - Control of decision making and profits (if any)**
16. You can differentiate your business from your competitors' on the basis of:
- Price, quality, and features
 - Time offered and location
 - Clientele target market
 - All of the above**
 - A & B only
17. A sole proprietor is NOT responsible for his or her company's debt.
- True
 - False**
18. The problem with trend analysis as a demand estimating approach is that:
- It may not be specific enough for your needs
 - There is no guarantee that the trends will continue
 - It is difficult to illustrate graphically
 - All of the above
 - A & B only**
19. The best type of market demand analysis:
- Is the comparable projects method
 - Is the application of standards
 - Is the participation rate projection
 - Is the time series analysis
 - Uses at least two methods and compares results**
20. If purchasing an existing commercial recreation business, you should insist on a "holdback" amount for an agreed period.
- True**
 - False
21. The most frequent reason for business failure is ____.
- The manager's incompetence**
 - Bad economic times
 - The manager's age
 - The business location
 - Bad employees
22. Crowdfunding allows people to contact people to borrow money by:
- Making an appeal through an Internet site.**
 - Making an appeal to people at a public gathering
 - Making an appeal to people through the newspapers

23. The comparable projects method of projecting demand for a product or service has been utilized best by companies that are large chains or have numerous franchises.
- a. **True**
 - b. False
24. The Competition Analysis section of a feasibility study should focus only on the product-line competition of the same type of business that is being proposed in the feasibility study.
- a. True
 - b. **False**

5

1. The ability of an enterprise to generate enough cash to pay its bills is known as:
 - a. **Liquidity**
 - b. Profitability
 - c. Marketability
 - d. Credibility
2. The type of financial statement that summarizes the financial activity of the organization over a specific period is known as a/an:
 - a. **Income statement**
 - b. Revenue plan
 - c. Balance sheet
 - d. Feasibility study
3. A process that helps to determine how much must be sold at a given price to exactly cover costs is known as:
 - a. Ratio analysis
 - b. Year-to-date (YTD) comparisons
 - c. 12-month trend analysis
 - d. **Break-even analysis**
4. The type of ratio analysis that is used to estimate the ability of a business to meet its short-term financial obligations without selling off its inventory is known as:
 - a. Current ratio
 - b. Debt-to-net-worth ratio
 - c. **Quick ratio**
 - d. News ratio
5. Which strategy applies to cash flow management?
 - a. Minimizing inventory buildup
 - b. Depositing revenue the same day that money is received
 - c. Selling or leasing investments in idle assets
 - d. **All of the above**
 - e. None of the above
6. In what way can sales volume be increased?
 - a. Improve purchasing
 - b. **Improve the product or service to better meet consumers' needs**
 - c. Control inventory
 - d. Have stricter credit policy

7. What is the main purpose of financial controls such as carrying fidelity insurance and requiring two signatures for all checks?
 - a. To make it easy to get a loan
 - b. **To help avoid monetary loss through error or dishonesty**
 - c. To prepare for an audit
 - d. All of the above
8. Assets that are not intended for sale and are used to create, display, or transport the product or service are known as:
 - a. Current assets
 - b. Current liabilities
 - c. **Fixed assets**
 - d. Long-term liabilities
 - e. None of the above
9. The portion of a business that is owned free and clear of all debts is known as:
 - a. Accounts payable
 - b. **Net worth**
 - c. Fixed assets
 - d. Depreciation
 - e. None of the above
10. The ability of an enterprise to generate enough cash to pay its bills is known as liquidity.
 - a. **True**
 - b. False
11. The main value of accounting is to help management make better financial decisions.
 - a. **True**
 - b. False
12. Price increases will improve the total sales revenue.
 - a. **That's possible, but not always true**
 - b. That's possible and always true
 - c. That's not possible
13. A summer alpine slide at a ski resort or hunting guide services based at a summer camp are examples of:
 - a. Recreation programs to increase auxiliary revenue
 - b. **Core product extensions to increase auxiliary revenue**
 - c. Ways to reduce staff costs
 - d. Tax reduction strategies
14. Auxiliary revenue sources are important to a commercial recreation and tourism business because:
 - a. They help diversify your business
 - b. They can add an important revenue source
 - c. They could be particularly important in the off-season
 - d. **All of the above**

15. The value of financial ratio analysis is to:
 - a. **Help you analyze your data to see how you compare to industry averages**
 - b. Help you decide how to price your products and/or services more effectively
 - c. Help you explain your tax situation to the IRS
 - d. Help you decide how to market your business better
16. Regarding financial planning, a management control device that helps determine how much of a product or service must be sold to exactly cover costs is known as
 - a. Revenue
 - b. A balanced sheet
 - c. **Break-even analysis**
 - d. Accounts receivable
 - e. Fixed assets
17. When you save \$1.00 in operating expenses, the effect on gross profits is to:
 - a. **Increase profit \$1.00**
 - b. Increase profit \$0.50
 - c. Decrease profit \$1.00
 - d. Decrease profit \$0.50
18. *Occupancy rate, use rate, and load factor* are terms used in certain industries to describe the percentage of operating costs in that industry or for a business in that industry.
 - a. True
 - b. **False**
19. A budget is a:
 - a. A list of all your expenses
 - b. A list of all your revenues
 - c. A plan for your next 5 years
 - d. **A plan of action with price tags attached**
20. An economic downturn can be a good opportunity to adjust a company's business plans and develop practices to capitalize on changes in the economic environment.
 - a. **True**
 - b. False

6

1. The early majority class of product adopters consists of opinion leaders in local reference groups who are willing to take calculated risks on products.
 - a. **True**
 - b. False
2. Unpaid promotional activity that you cannot control is called:
 - a. Advertising
 - b. Sales promotions
 - c. **Publicity**
3. What is not a characteristic of a service?
 - a. **Tangible**
 - b. Usually cannot be tried in advance
 - c. Produced and consumed at the same time
 - d. Consumer plays an active role in the experience
4. The take-off stage is the time in a product's life course when most of the market is aware of the product and has decided to consume or not to consume.
 - a. True
 - b. **False**
5. Which are good tips for customer service?
 - a. Learn guest preferences
 - b. Make it easy for them
 - c. Listen to their complaints
 - d. **All of the above**
 - e. A & C only
6. A pricing strategy that uses a high introductory price and then gradually reduces the cost over time as the market becomes more competitive is known as:
 - a. Price penetration
 - b. Variable-cost pricing
 - c. Going-rate pricing
 - d. **Price skimming**
7. Penetration pricing is based on the assumptions that consumers perceive few differences among competing alternatives and that low prices will generate sales.
 - a. **True**
 - b. False

8. A relatively homogeneous group of consumers who have similar needs and product preferences, on whom an entrepreneur wishes to concentrate is known as a:
 - a. **Target market**
 - b. Total market
 - c. Market segment
 - d. Market population
9. Which of the following illustrates a channel of distribution?
 - a. Producer – Consumer
 - b. Producer – Retailer – Consumer
 - c. Producer – Wholesaler – Retailer – Consumer
 - d. **All of the above**
 - e. B & C only
10. A type of group sale in which a set of prenumbered tickets is issued to an organization with the written agreement that they will be sold at a certain price or returned by a certain date is known as:
 - a. Industrial group discounts
 - b. **Consignment tickets**
 - c. Group buyouts
 - d. Cooperative packages
11. Which is true about goods and services?
 - a. Goods cost more than services
 - b. Goods are not as easy to try out as services
 - c. Services generate more profits
 - d. **Goods are tangible and services are intangible**
 - e. None of the above
12. Which type of promotional strategy features assessment of the customer's needs, development of a sales message, evaluation of the customer's reactions, and adjustments made to the sales message?
 - a. Public relations
 - b. **Personal selling**
 - c. Sales promotions
 - d. Publicity
 - e. Paid advertising
13. Which is usually true regarding the difference between goods and services?
 - a. Goods cost more than services
 - b. Goods are not as easy to try out or test as services
 - c. Services generate more profits
 - d. **Many services will "spoil" if not consumed (sold) within a certain time**
 - e. All of the above are true
14. In the product diffusion concept, the last group to buy a product is known as the:
 - a. Late majority
 - b. **Laggards**
 - c. Low-income group
 - d. Young adults

15. Which is not a good idea for group sales?
- Get a deposit up front (or contract)
 - Try for off-peak periods
 - Have the group use the same entrance as everyone else**
 - Make the group feel welcome with something extra or something special
16. The stage in a product's life course when most of the market is aware of the product and has decided to consume or not to consume is known as:
- Introduction stage
 - Take-off stage
 - Maturity stage**
 - Decline stage
 - None of the above
17. The main advantage of social networking as a form of product or service promotion is that:
- It is the best way to reach every market
 - It tailors your message directly to each customer's interests and questions
 - It can have a "snowballing effect" through the voluntary participation**
 - It takes less creative effort than other forms of promotion
18. If you sell a shared group buyout to two groups on the same night, be sure that:
- The groups are not so different that they would be in conflict**
 - Both groups are equal in size
 - Both groups get exactly the same food
 - The groups have been to your facility previously
19. Which of the following is NOT a stage in product rejuvenation?
- Market penetration
 - Market development
 - Product development
 - Product testing**
 - All of these are stages in product rejuvenation

7

1. A method of employee training in which the new employee follows an experienced employee and learns the job through firsthand observation and trial is called:
 - a. Orientation
 - b. Scripting
 - c. **Shadowing**
 - d. Interpreting
2. What types of commercial recreation and tourism businesses would typically most need seasonal labor?
 - a. **Theme parks**
 - b. Hotels
 - c. Fitness centers
 - d. Airlines
3. What are general areas of concern regarding security for commercial recreation and tourism?
 - a. Crowd control
 - b. Hours of operation
 - c. Emergency procedures
 - d. Facility security
 - e. **All of the above**
4. The main goal in risk management is:
 - a. **Loss prevention**
 - b. Safety reviews
 - c. Security training
 - d. Surveillance
5. Computer programs can be utilized for which of the following functions?
 - a. Accounting and financial functions
 - b. Environmental management
 - c. Marketing functions
 - d. **All of the above**
 - e. A & C only
6. Ethical business practices include:
 - a. Strive for long-term prosperity, not just short-term profit
 - b. Sustain your natural environment and culture of your community
 - c. Practice equity and justice in operations
 - d. **All of the above**
 - e. A & C only

7. When a “superstar” applies for a job in your organization, but you don’t have a vacant full-time position, you should:
 - a. Ask them to come back and apply again in a month or two.
 - b. Fire a low-producing employee and give the job to the superstar
 - c. **Hire the superstar into a good part-time position and move him/her up as soon as you can**
 - d. Exceed your budget and hire the superstar regardless of cost
8. Good principles for facility design include:
 - a. Design for flexible and multiple use
 - b. Design for safety, ease of maintenance, and resistance to vandalism
 - c. Design for environmental sustainability
 - d. **All of the above**
 - e. B & C only
9. The Risk Management Strategy Grid has risks evaluated on the basis of:
 - a. Weather and crime
 - b. **Frequency and severity**
 - c. Season and time
 - d. Expected vs. unexpected
10. The day-to-day management of facilities and programs, supervision of frontline personnel, and maintenance of positive customer service is known as:
 - a. **Operations management**
 - b. Public relations management
 - c. Risk management
 - d. Human resources management
11. Computer programs can be utilized for which of the following functions?
 - a. Accounting and financial functions
 - b. Facility environmental management
 - c. Marketing functions
 - d. **All of the above**
 - e. A & C only
12. Which is not a principle for good customer service?
 - a. Smile and recognize your guests
 - b. **Have them write their complaints down so you can take it to your supervisor**
 - c. Learn your guests' preferences
 - d. Focus on customers' perceptions
13. Strategies to keep part-time employees on through the full peak season include:
 - a. Higher pay for returning employees, and bonus pay for those who finish the season
 - b. Diversify the jobs so the boredom factor is reduced
 - c. Employee housing and transportation
 - d. **All of the above**
 - e. A & C only
14. What is the best way to minimize “downtime” of equipment and facilities?
 - a. Reduce the frequency or duration of use
 - b. Hire employees who handle the equipment gently
 - c. **Preventive maintenance**
 - d. Limit the number of customers or users

15. Benefits that help attract potential employees to your company include fitness programs, family leave, training opportunities, membership to professional associations, educational reimbursements, employee recreation programs, and child care.
- True**
 - False
16. Today's customers are more sophisticated in finding bargains and researching opportunities, but they still put the most importance on finding the cheapest price.
- True
 - False**
17. Effective managers understand customers' needs, communicate effectively, understand the organization's financial performance, motivate their team, track and measure staff performance, and:
- Create a positive learning environment for employees and know how to delegate
 - Enforce standards and infuse pride in the organization
 - Promote only from within the organization
 - All of the above
 - A, B, and C only**
18. Good supervisors find a way to eliminate dull jobs or at least combine them with good jobs and learning experiences.
- True**
 - False
19. Managers can restrict employees from forming or joining unions if that is not in the best interest of the company's financial interests.
- True
 - False**
20. Projections of customer demand can help managers:
- Know how the business should function during periods of high, normal, and slack demand
 - Schedule hours of operation
 - Schedule shifts of employees
 - Keep areas secure
 - All of the above**
 - A, B, and C only
21. If a company has a designated safety manager, then other employees can concentrate on their own jobs and leave safety concerns to the designated specialist.
- True
 - False**
22. If you cannot differentiate your product or service from those offered by a competitor, then you have little reason for customers to buy from you.
- True**
 - False
23. Price discounting is always the best way to successfully differentiate your company from its competitors.
- True
 - False**

8

1. The aim of recreation programming as a revenue-generating amenity is to:
 - a. Draw new customers
 - b. Draw repeat customers
 - c. Generate a profit in the recreation program
 - d. **All of the above**
 - e. A & B only
2. Repeatedly programming a certain type of activity the same way is often called:
 - a. Benefits-based programming
 - b. **The stereotype trap**
 - c. The practical programming process
 - d. A promotional strategy
3. Variations of _____ include frequency of program, duration of program, skill level, and number of participants.
 - a. Program pricing
 - b. **Program structure**
 - c. Program resources
 - d. Program type
4. Serving as a referral service, providing how-to information, providing loan equipment, and publicizing other programs are all types of recreation facilitation services.
 - a. **True**
 - b. False
5. Which of the following is usually true regarding the provision of an entertainment event?
 - a. Major entertainers are not usually available on short notice
 - b. Booking agents offer access to numerous entertainers
 - c. Individual names of entertainers should be included on a contract
 - d. **All of the above**
 - e. A & B only
6. When organizing a tour, the party who typically develops the overall itinerary, pricing, and marketing is the
 - a. **Tour operator/wholesaler**
 - b. Retail travel agency
 - c. Convention and visitors bureau
7. For most food and beverage events, it is a good idea to have mostly foreign and exotic dishes.
 - a. True
 - b. **False**

8. When you have recreation programs as a “supporting amenity,” you have to make a profit on the program or at least break even.
 - a. True
 - b. **False**
9. With children’s programs at resorts, it is important that:
 - a. Meals and snacks meet all applicable health codes
 - b. Programs are flexible enough to accommodate variable numbers of children
 - c. There is an adequate ratio of staff to children
 - d. Programs are developed based around the character of the resort
 - e. **All of the above**
10. Which of the following is not usually part of the program setup stage of the Practical Programming Process?
 - a. **Schedule the facility**
 - b. Field or facility preparation
 - c. Equipment distribution
 - d. Sound system checks
 - e. Seating arrangements
11. Serving as a referral service, providing how-to information, providing loan equipment, and publicizing other programs are all types of:
 - a. Recreation programs as supporting amenities
 - b. Recreation programs as a revenue-generating amenity
 - c. **Recreation facilitation services**
 - d. Recreation program formats
12. When organizing a tour, the party that typically develops the overall itinerary, pricing, and marketing is the:
 - a. **Tour operator/wholesaler**
 - b. Retail travel agency
 - c. Tour guide
 - d. Convention and visitors bureau
13. Which are good ideas for most food and beverage events?
 - a. Have high-starch menus that provide plenty of calories
 - b. Use buffet service carefully since it takes longer and people eat more
 - c. Use foreign and exotic dishes sparingly
 - d. All of the above
 - e. **B & C only**
14. Some important procedures when leading a motor coach tour include:
 - a. Test the PA system upon boarding
 - b. Do not block the driver’s mirrors
 - c. Count the passengers during loading and unloading
 - d. **All of the above**
 - e. B & C only

15. With tour itineraries, it is a good idea to:
 - a. Build in several optional stops, side trips, and events
 - b. Not have your biggest event the night before departure for home
 - c. Have every hour scheduled with required activities
 - d. All of the above
 - e. **A & B only**
16. When evaluating the program, what should you analyze?
 - a. Attendance
 - b. How well participant benefit expectations were met
 - c. Revenue and expenses
 - d. **All of the above**
 - e. A & B only
17. The primary aim of programming as a supporting amenity is to:
 - a. Draw new customers
 - b. Draw repeat customers
 - c. Generate a profit from the program
 - d. **A & B only**
 - e. A & C only
18. Retail businesses and hospitality businesses have found that recreation programs can help them differentiate their product or service.
 - a. True
 - b. **False**
19. In general, recreation programs and amenities do not help differentiate one business from another and are not key factors in generating repeat business.
 - a. True
 - b. **False**
20. A special event checklist can serve as a reminder when planning an event so that you don't forget an element of the event.
 - a. **True**
 - b. False

9

1. The hub and spoke concept is most important to which industry?
 - a. Rental cars
 - b. **Airlines**
 - c. Cruise ships
 - d. State and regional travel councils
2. Amtrak has been a very profitable rail system for many years.
 - a. True
 - b. **False**
3. According to the Travel Industry Association of America, which of the following statements is not true of business travelers?
 - a. They tend to have higher education
 - b. They tend to have higher incomes
 - c. **They tend to take longer trips (number of days) than pleasure travelers**
 - d. They tend to fly more often and stay in hotels more often than pleasure travelers do
4. Forces within us that motivate us to travel are known as:
 - a. **Push factors**
 - b. Pull factors
 - c. Desire ratios
 - d. Destination loyalty factors
5. International tourists from Asia, Europe, and South America typically spend less per person per day while on trips to the U.S. than do tourists from Canada and Mexico.
 - a. True
 - b. **False**
6. A person who seeks new experiences and adventure in a variety of activities is known as a/an:
 - a. **Allocentric traveler**
 - b. Psychocentric traveler
 - c. Mid-centric traveler
 - d. Ethnocentric traveler
7. Ecotourism is concerned with the effects of tourism on the environment, but not on the impacts to the people living in that destination area.
 - a. True
 - b. **False**
8. Which of the following is usually true about cruise ship staff?
 - a. **The cruise director is head of the entertainment department**
 - b. The crew members are mostly American college students
 - c. Cruise staff salaries are among the highest paying in the tourism industry
 - d. Recreation staff can usually work their way up to being the cruise director

9. One of the services of a travel agency is:
 - a. Arranging transportation and lodging for clients
 - b. Retailing tour packages
 - c. Providing information about tourism destinations
 - d. **All of the above**
 - e. A & B only
10. The type of tour company that specializes in putting together tour packages to sell to travel agencies is a:
 - a. Receptive operator
 - b. Motorcoach company
 - c. **Tour wholesaler**
 - d. None of the above
11. The number one source of travel information is:
 - a. Television
 - b. The Internet
 - c. Newspapers
 - d. **Friends and relatives**
12. A tourism trend that is projected is:
 - a. **More long weekend travel**
 - b. More “fly-to” than “drive-to” guests at resort destinations
 - c. Less recreation programming and special events due to costs
 - d. Decreased worldwide tourism because of terrorism fears
13. The type of tour company that specializes in arranging for tourists who come to their destination is called a/an:
 - a. Tour wholesaler
 - b. **Receptive tour operator**
 - c. Ecotourism company
 - d. FIT tour company
14. Which of the following is not true of current trends in the airline industry?
 - a. Special package discounts for senior citizens
 - b. Alliances between airlines
 - c. Aging airports
 - d. **Increase in profit margin due to increase in discounted fares**
15. The importance of ecotourism for a destination is that:
 - a. Ecotourism spending usually has a deeper impact on the local economy
 - b. Ecotourism promotes conservation of natural resources and culture
 - c. Ecotourism brings luxury hotels to the area
 - d. All of the above
 - e. **A & B only**
16. In a one-stage sale, the supplier (i.e., airline, rental car firm, hotel, entertainment, resort, etc.) sells directly to the:
 - a. Travel agent
 - b. Wholesaler
 - c. Specialty channeler
 - d. **Consumer**

17. What type of company contracts with airlines, hotels, and rental car companies for large numbers of guests and then creates packages that are often cheaper for the consumer to buy than each item purchased separately?
- Airline consolidators
 - Tour companies**
 - Travel agencies
 - Destination marketing companies
18. Which situation tends to help increase tourism to the U.S.?
- The U.S. dollar increases in value compared to foreign currencies
 - The U.S. dollar decreases in value compared to foreign currencies**
 - The U.S. dollar does not affect foreign tourism
 - None of the above
19. A person who is conservatively oriented, who prefers to return to familiar travel destinations is known as a/an:
- Allocentric traveler
 - Psychocentric traveler**
 - Mid-centric traveler
 - Ethnocentric traveler
20. State and regional travel councils:
- Provide transportation services
 - Provide accommodations services
 - Serve as facilitators to the tourism industry**
 - All of the above
 - A & B only

10

1. The type of resort that has the most signature amenities and secondary amenities is the:
 - a. All-inclusive resort
 - b. Specialized resort
 - c. **Destination resort**
 - d. Ecotourism resort
2. The class of hotels/motels that provide overnight accommodations to travelers on their way to a final destination is known as:
 - a. **Highway/roadside motels**
 - b. Commercial hotels
 - c. Economy/budget motels
 - d. Bed and breakfasts
 - e. None of the above
3. Brand segmentation is a trend in the hotel industry.
 - a. **True**
 - b. False
4. According to research, the fastest growing market segment in the last 10 years of the winter sports industry is:
 - a. Downhill skiers
 - b. Cross-country skiers
 - c. **Snowboarders**
 - d. Ice-skaters
5. The sale of luxury accommodations to numerous people, in segments of one or more weeks, or as “points” to be used for resort vacations, is known as:
 - a. **Time-share, or interval ownership**
 - b. Vacation real estate
 - c. Recreation communities
 - d. Time exchange
6. A commercial campground is likely to have options for customers to choose if they want some combination of electricity, water, and sewer service.
 - a. **True**
 - b. False
7. Which of the following represents a trend in the restaurant industry?
 - a. More interest in greater menu choice and healthier foods
 - b. Increased demand for takeout foods
 - c. International growth for fast-food and casual dining chains
 - d. **All of the above**

8. About two thirds of the lodging industry properties in the U.S. are affiliated with what type of operation?
 - a. Independent operations
 - b. **Chain hotels/motels**
 - c. Resort hotels
 - d. Airport hotels
9. Which is mostly likely to develop promotional materials, operate visitor centers, host travel agents and writers, manage convention centers, and solicit for national conventions?
 - a. A state travel council
 - b. A major theme park
 - c. **A tourism destination's convention and visitors bureau**
 - d. A major hotel
10. Which of the following is not a trend in hotel operations?
 - a. Computerized technology
 - b. Boutique hotels
 - c. Green hotels
 - d. Brand segmentation
 - e. **None of the above**
11. Which of the following is not a typical characteristic of an urban campground?
 - a. Close proximity to local urban attractions
 - b. Electrical, water, and sewer service
 - c. Asphalt surface
 - d. **Scenic landscaping**
12. Which must a resort have to be successful?
 - a. Be based on an attractive natural resource or have significant man-made attractions
 - b. Be close to or have access to a large population base
 - c. Have a unique feature that differentiates the resort from others
 - d. **All of the above**
13. The big difference between Las Vegas resorts and Atlantic City resorts is that:
 - a. There are more resorts in Atlantic City
 - b. **People stay longer and spend more in Las Vegas**
 - c. More people fly into Atlantic City than Las Vegas
 - d. Street mimes in Las Vegas have an organized union, but not in Atlantic City
14. If a resort does not have an adequate population for a labor source, it should:
 - a. Provide transportation for workers from a population center
 - b. Provide employee housing near the resort
 - c. Limit the number of guests who can go to the resort
 - d. All of the above
 - e. **A & B only**

15. Which of the following could be a reason for resort development?
- a. Land appreciation
 - b. Economic development
 - c. Stimulation of local businesses
 - d. **All of the above**
 - e. B & C only
16. Which of the following best describes the type of tavern/club in which businesspeople socialize and conduct business in an upscale environment?
- a. **City clubs**
 - b. Nightclubs
 - c. Sports bars
 - d. Airport bars
17. Club Med is a/an:
- a. **All-inclusive resort company**
 - b. Caribbean-based resort company
 - c. Family-only resort company
 - d. Ecotourism resort company
18. The majority of lodging facilities, food and beverage services, outfitter and guide services, ski facilities, marinas, and other recreation and tourism services that are operated on the U.S. national parks, national forests, and other federal government lands are operated directly by the U.S. federal government.
- a. True
 - b. **False**
19. It is best that a ski resort have:
- a. North-facing slopes
 - b. At least 60–100 days of weather that is 28 °F or less
 - c. A minimum of 80-ft-wide trails at a range of all ability levels
 - d. **All of the above**
 - e. B & C only

11

1. The most basic type of fitness facility, usually located in low overhead storefront facilities, is:
 - a. **Mini-gyms and aerobics studios**
 - b. Bodybuilder gyms
 - c. Health clubs
 - d. Racquet clubs
2. The group that constitutes the largest membership in multisport clubs is:
 - a. Families
 - b. **Individuals**
 - c. Seniors
 - d. Couples
3. Which of the following is a key to success in the golf course and country club business?
 - a. Location
 - b. Separation from real-estate development
 - c. Design and maintenance
 - d. **A & C only**
4. Which of the following represents a key to operating a successful bowling center?
 - a. Limited league bowling so open bowling has most of the time
 - b. Limited access for younger bowlers
 - c. **Extra amenities such as restaurants, video games, and day care**
 - d. None of the above
5. Why do mini-golf courses have such a broad appeal?
 - a. Family-oriented activity
 - b. Flexible layouts
 - c. Can be singly operated or incorporated into larger centers
 - d. **All of the above**
6. What type of sporting goods store carries the widest variety of equipment for various interests?
 - a. Department stores
 - b. **Full-line sporting goods stores**
 - c. Specialty sports stores
 - d. Pro shops
7. Which of the following is a characteristic of a successful sporting goods store?
 - a. Good product line buying
 - b. Store location
 - c. Cheap labor market
 - d. B & C only
 - e. **A & B only**

8. What amusement park in the U.S. had the first modern roller coaster?
 - a. Disneyland
 - b. Disneyworld
 - c. Jones Woods
 - d. **Coney Island**
9. In theme parks, where does the majority of revenue come from?
 - a. **Admission fees**
 - b. Merchandise sales
 - c. Food and beverage sales
 - d. Parking revenue
10. The key for the successful operation of sports and entertainment arenas and stadiums is:
 - a. **Be highly scheduled**
 - b. Schedule only the most popular current star entertainers
 - c. Generate lots of food and beverage sales
 - d. Pay staff top wages to get their best efforts
11. Stores and specialty shops that sell sporting goods, boats, arts and crafts supplies, toys and games, etc., primarily to local customers, fall into the category of:
 - a. Entertainment providers
 - b. **Local recreation retailers**
 - c. Activity/program providers
 - d. B & C only
 - e. None of the above
12. The two major approaches to the classification of golf courses are:
 - a. **Type of course and type of operation**
 - b. Type of course and size of course
 - c. Size of course and size of operation
 - d. Size of course and type of operation
13. The three main types of local commercial recreation covered in the text are:
 - a. Indoor recreation centers, outdoor recreation centers, and all-weather dome centers
 - b. **Recreation activity providers, recreation product retailers, and entertainment providers**
 - c. City recreation centers, suburban recreation centers, and rural recreation centers
 - d. Children's recreation centers, adult recreation centers, and family recreation centers
14. To draw customers, specialty sports stores count on having:
 - a. Discount pricing
 - b. **Expertise, customer service, and depth of product lines**
 - c. A great location in a big mall
15. Laser tag, ice rinks, bowling lanes, arcade games, roller rinks, and climbing walls are typically in a/an:
 - a. **Indoor family entertainment center**
 - b. Outdoor family entertainment center
 - c. Large cruise ship
 - d. Ski resort
 - e. Theme park

16. Motion picture theaters have the most business in:
 - a. The spring
 - b. The start of fall season
 - c. **At Christmas and in early summer**
 - d. Late summer
17. Sports specialty stores should have:
 - a. A manager and sales staff with expertise and experience with the products
 - b. A good visible location, but it does not have to be a prime location
 - c. Product buying that is the right quantity of what the customers want
 - d. A good strategy for the off-season
 - e. **All of the above**
 - f. A & D only
18. A major trend in fitness centers is CrossFit, which is a strength and conditioning program with movements that are consistently varied at a high intensity.
 - a. **True**
 - b. False
19. "Eat, Drink, Play, and Watch" is the operating concept for:
 - a. Chuck E. Cheese's
 - b. **Dave and Buster's**
 - c. Buffalo Wild Wings
 - d. Texas Roadhouse
20. VIP tickets and radio-frequency identification (RFID) technology are major trends in the _____ industry.
 - a. **Events, concerts, and festivals**
 - b. Leisure-themed restaurants
 - c. Golf courses and country clubs
 - d. Water park