

This is an old ADM 1300 final from 2007 (someone copied from memory after the exam). This final is a good idea on the type of questions you will get, but there is so much content in 1300 that the chance of getting the same question twice is unlikely. The multiple choice questions are tough.

The best advice I can give you is try to memorize everything because Koppel likes giving you surprises because he thinks he is tough.

ADM1300 Final Fall 2007

1. Arguments about in favor of and against the social responsibilities. (5 supports arguments and 5 against arguments) (Attachment page 60)

For:

- Business helped to create many of the social problems, so it should play a significant role in solving them, especially in the areas of pollution reduction and cleanup.
- Businesses should be more responsible because they have the financial and technical resources to help solve social problems
- As members of society, businesses should do their fair share to help others
- Socially responsible decision making by business can prevent government regulation.
- Social responsibility is necessary to ensure economic survival. Businesses must help solve the social and environmental problems.

Against:

- It sidetracks managers from the primary goal of business—earning profits.
- Participation in social programs gives businesses greater power, perhaps at the expense of particular segments of society.
- Some people question whether business has the expertise needed to assess and make decisions about social problems.
- Many people believe that social problems are the responsibility of government agencies and officials.
- Some Corporations don't really care - they're just out to screw the poor and the environment to make more profits.

2. Disability Insurance, what the difference between the companies buy the insurance for the disabilities and the disabilities buy the insurance by themselves

If the company has disability insurance, the employees will benefit from this insurance. The employees will think the managers care about them, so the relationship between employees and managers will be improved. The employees will put more effort to work. If the company does not have disability insurance, the disabilities will think the managers discriminate them, so they will not willing to work hard.

3. "Rule of Seven"

Money double in every SEVEN years.

4. Explain Maslow's hierarchy of needs (p214)

- Physiological needs: Basic needs such as food, water, and shelter that must be met to survive.
- Safety needs: needs for security, stability, and a safe environment.

- Belongingness needs: Need for security, stability, and a safe environment.
- Esteem needs: The needs to feel good about oneself, to be respected by others, and to receive recognition and appreciation.
- Self-actualization needs: The needs to realize one's full potential as a human being.

5. List different type of departmentalization

- Functional structure: An organizational structure composed of all the departments that an organization requires to produce its goods or services
- Divisional structure: An organizational structure composed of separate business units within which are the functions that work together to produce a specific product for a specific customers.
 - o Product structure: An organizational structure in which each product line or business is handled by a self-contained division.
 - o Geographic structure: An organizational structure in which each region of a country or area of the world is served by a self-contained division.
 - o Market structure: An organizational structure in which each kind of customers is served by a self-contained division; also called customer structure.
 - o Matrix structure: An organizational structure that simultaneously groups people and resources by function and by product.

6. Explain the four types of Promotion mix

- Advertising: a paid form of nonpersonal communication transmitted through a mass medium, such as television commercials or magazine advertisement.
- Personal selling: direct, two-way communication with buyers and potential buyers.
- Publicity: nonpersonal communication transmitted through the mass media but not paid for directly by the firm.
- Sale promotion: direct inducements offering added value or some other incentive for buyers to enter into an exchange.

7. List six types of price strategies

- Price skimming: charging the highest possible price that buyers who want the product will pay.
- Penetration price: a low price designed to help a product enter the market and gain market share rapidly.
- Psychological pricing: encouraging purchases based on emotional rather than rational responses to the price.
 - o Symbolic/ prestige pricing is that high prices connote high quality
 - o Even/odd pricing is that people will buy more of a product for \$9.99 than \$10 because it seems to be a bargain at the odd price.
- Discounts: temporary price reductions, often employed to boost sales.

8. Four types of ratios, briefly explain and list some formulas in these four categories)

- Profit ratios: it measures how efficiently managers are using the organization's resources to generate profits.
E.g. Return on investment = $\frac{\text{Net profit before taxes}}{\text{Total assets}}$.

· Liquidity Ratios: It measures how well managers have protected organizational resources so as to be able to meet short-term obligations.

E.g. Current ratio= $\text{Current assets} / \text{Current liabilities}$.

· Leverage Ratios: It measures the degree to which managers use debt or equity to finance ongoing operations.

E.g. Debt-to-assets ratio= $\text{Total debt} / \text{Total assets}$

· Activity Ratios: It measures how well managers are creating value from organizational assets.

E.g. Inventory turnover= $\text{Cost of goods sold} / \text{Inventory}$