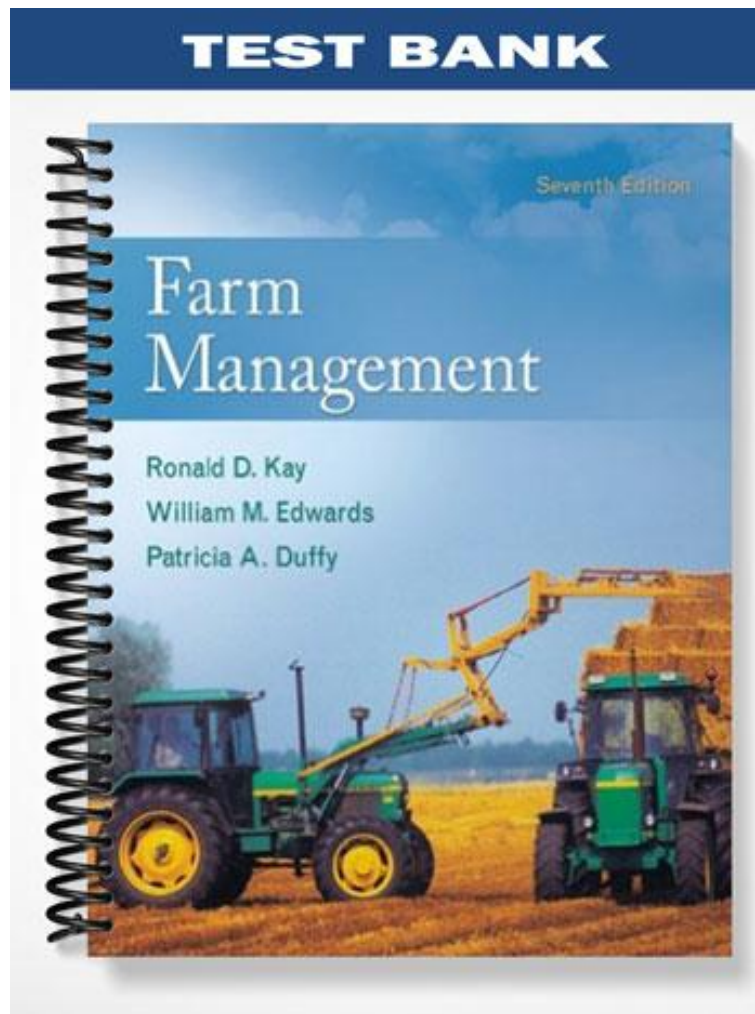


TEST BANK



CHAPTER 2

SAMPLE TEST QUESTIONS - MULTIPLE CHOICE

1. Which function of management is concerned with monitoring the results of a decision and taking corrective action?
 - a. planning
 - b. implementation
 - c. control**
 - d. organization

2. Which of the following shows the proper sequence of management functions as they would be applied to a specific problem?
 - a. planning, control, implementation
 - b. planning, implementation, control**
 - c. control, planning, implementation
 - d. control, implementation, planning

3. A short summary of why a particular business is in operation is called:
 - a. internal scanning
 - b. external scanning
 - c. a mission statement**
 - d. whole farm plan

4. "Doubling the number of acres farmed in 10 years" is an example of a
 - a. long-run goal**
 - b. short-run goal
 - c. mission statement
 - d. decision

5. Which of the following is an example of a strategic decision?
 - a. determining fertilizer levels for crops
 - b. deciding when to sell grain
 - c. determining what type of business/legal organization to use**
 - d. setting milking times for a dairy

6. Which of the following is an example of a tactical decision?

- a. **balancing a livestock ration**
 - b. forming a partnership with a relative
 - c. joining a feeder pig cooperative
 - d. installing an irrigation system
7. "What managers do" is best described by which of the following?
- a. gather information
 - b. **make decisions**
 - c. analyze data
 - d. organize the farm
8. External scanning could include assessing
- a. the financial condition of the business
 - b. **changes in consumer tastes**
 - c. the basic values of the managers
 - d. productivity of the farmland owned
9. One characteristic that makes decision making in agriculture different from other types of business is
- a. more government regulation
 - b. prevalence of very large business units
 - c. predictability of production processes
 - d. **fixed supply of a major resource**
10. The term describing how much time is available to make a decision is
- a. **imminence**
 - b. revocability
 - c. frequency
 - d. importance
11. Which phase of the strategic management process would be most influenced by a farm family's basic values and attitudes about agriculture?
- a. external scanning
 - b. internal scanning
 - c. **setting goals**
 - d. strategic development

12. A short summary of why a particular business is in operation is called
- a. a whole farm budget
 - b. internal scanning
 - c. external scanning
 - d. a mission statement**

SAMPLE TEST QUESTIONS - TRUE/FALSE

- T F 1. Short-run planning is more important than long-run planning.
- T F 2. Goals must be known before management decisions can be made.
- T F 3. Because weather and prices are unpredictable, it is impossible to plan more than one year in advance.
- T F 4. Strategic planning only needs to be done by beginning farmers and ranchers.
- T F 5. No management decision should be made until all possible information has been acquired.
- T F 6. Maximizing profit is the only goal managers use to make decisions.
- T F 7. More time should be spent on irrevocable decisions than on those which can be easily reversed.
- T F 8. Farm and ranch managers can usually set the selling prices for their products.
- T F 9. Even choosing the best alternative action will sometimes produce undesirable results.
- T F 10. Biological production processes are more predictable than industrial production processes.
- T F 11. "Define the problem" is the first step in the decision-making process.

- T F 12. Before making any decision, a manager should have a goal(s).
- T F 13. The decision-maker must bear responsibility for any decisions made.
- T F 14. Completing all steps in the decision-making process will guarantee a perfect decision.
- T F 15. Management is mostly making decisions.
- T F 16. Good management decisions can be made before goals have been determined.
- T F 17. The last step in the decision-making process is to implement the decision.
- T F 18. All managers have the same goal(s).
- T F 19. Goals should be written, specific, measurable, and have a timetable.