

# TEST BANK



**Scientific Team**  
الفريق العلمي

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1) Decision making begins with \_\_\_\_\_.

- A) selecting alternatives
- B) identifying decision criteria
- C) identifying a problem
- D) eliminating false alternatives

Answer: C

2) Which of the following defines a *problem* in the decision-making process?

- A) a discrepancy between what exists and what the decision maker desires to exist
- B) a discrepancy between the ideal and the practical
- C) something that causes irritation
- D) something that calls for attention

Answer: A

3) To identify a problem, a manager \_\_\_\_\_.

- A) compares one set of standards or goals to a second set of standards or goals
- B) looks for unhappy customers
- C) uses intuition to see that things don't look right
- D) compares the current state of affairs with some standard or goal

Answer: D

4) A manager is determining what kind of new computers she should purchase for her department. She has made a list of five different computer models for consideration.

Which stage of the decision-making process is this?

- A) selection of an alternative
- B) identification of decision criteria
- C) development of alternatives
- D) analysis of alternatives

Answer: C

5) After purchasing new computers for her department, a manager is now comparing the performance of the new computers to the computers they replaced. Which stage of the decision-making process is she carrying out?

- A) analysis of alternatives
- B) evaluation of decision effectiveness
- C) selection of an alternative
- D) implementation of an alternative

Answer: B

6) A manager chooses to ignore a rigorous decision-making process and selects TV monitor A over monitor B because he "trusts" company A more than company B. If the decision he made was rational, which of the following is true?

- A) Monitor A is really the better choice.
- B) The manager should have included "trust" as a criterion.
- C) Monitor B is really the better choice.
- D) The manager must have made a mistake in calculating his weighted criteria.

Answer: B

7) In allocating weights to the decision criteria, which of the following is most helpful to remember?

- A) All weights must be the same.
- B) The total of the weights must equal 100.
- C) The high score should be a 10, and no two criteria should be assigned the same weight.
- D) Assign the most important criterion a score, and then assign weights against that standard.

Answer: D

8) Because they are not systematic or comprehensive, using heuristics in place of an eight-step decision-making process can lead to \_\_\_\_\_.

- A) errors and biases
- B) consistently better decisions
- C) more imaginative decisions
- D) decisions that more directly solve problems

Answer: A

9) A banker opts for short-term gain despite indications that his decision might not pay off in the long run. Which error or bias is the banker guilty of?

- A) overconfidence
- B) immediate gratification
- C) selective perception bias
- D) representation

Answer: B

10) A scientist cites two studies that show a positive effect for her drug and ignores five other studies that show a negative effect. Which error or bias is she committing?

- A) hindsight

- B) anchoring effect
- C) confirmation bias
- D) self-serving

Answer: C

11) One legislator sees decreased tax revenue as the key problem in the budget. A second legislator sees increased spending as the problem. Each of these legislators has a(n) \_\_\_\_\_.

- A) representation bias
- B) self-serving bias
- C) availability bias
- D) framing bias

Answer: D

12) Which of the following is NOT assumed in a rational decision?

- A) a clear and specific goal
- B) a clear and unambiguous problem
- C) most alternatives and consequences are known
- D) value is maximized

Answer: C

13) It is assumed that in most cases the decisions of all managers are limited by \_\_\_\_\_.

- A) greed and short-sightedness
- B) having too much information
- C) not being able to analyze all information for all alternatives
- D) not being able to act rationally or in the best interests of their organization

Answer: C

14) Which term best characterizes a decision that has bounded rationality?

- A) virtually perfect
- B) rigorous and comprehensive
- C) not good enough
- D) just good enough

Answer: D

15) Which of the following is the best definition for the word *satisfice*?

- A) very satisfying
- B) not sufficient
- C) accepts a less than perfect solution
- D) requires a perfect solution

Answer: C

16) A person who satisfices fails to \_\_\_\_\_.

- A) maximize his or her decision
- B) understand his or her position
- C) accept the truth of a situation
- D) make any kind of decision

Answer: A

17) Sticking to a decision despite evidence that it is a mistake is called \_\_\_\_\_.

- A) escalation of commitment
- B) escalation of rationality
- C) satisficing commitment
- D) error enhancement

Answer: A

18) Escalation of commitment can occur when people don't \_\_\_\_\_.

- A) want to make a decision
- B) want to admit that an earlier decision was flawed
- C) accept current conditions
- D) understand that conditions have changed

Answer: B

19) Compared to fully rational decision making, what is a major advantage of intuitive decision making?

- A) total reliability
- B) fully quantified
- C) thoroughness
- D) speed

Answer: D

20) Intuitive decision making can complement \_\_\_\_\_.

- A) rational decision making only

- B) bounded rationality only
- C) both rationality and bounded rationality
- D) neither rationality nor bounded rationality

Answer: C

21) Structured problems are \_\_\_\_\_.

- A) ambiguous
- B) undefined and vague
- C) clear and straightforward
- D) incomplete

Answer: C

22) Unstructured problems are \_\_\_\_\_.

- A) perfectly rational
- B) clear and straightforward
- C) situations in which all options are known
- D) situations in which all options are not known

Answer: D

23) Structured problems typically have \_\_\_\_\_ while unstructured problems typically have \_\_\_\_\_.

- A) only one solution; many solutions
- B) many solutions; one solution
- C) many solutions; fewer solutions
- D) two solutions; three solutions

Answer: A

24) Programmed decisions work well for solving \_\_\_\_\_.

- A) structured problems
- B) unstructured problems
- C) both structured and unstructured problems
- D) poorly defined problems

Answer: A

25) Programmed decisions draw heavily on which of the following?

- A) mistakes made in the past
- B) past solutions that were successful
- C) past solutions that were unsuccessful

D) innovative, new solutions

Answer: B

26) Which of the following is NOT a type of programmed decision?

A) systematic procedure

B) policy

C) brainstorm

D) rule

Answer: C

27) Following the directions to put together an elliptical exercise machine is an example of which way to solve a problem?

A) procedure

B) rule

C) general practice

D) policy

Answer: A

28) Which pair or pairs of terms is/are true? (This question can have more than one correct answer.)

A) structured problem, programmed decision

B) structured problem, structured decision

C) unstructured problem, programmed decision

D) unstructured problem, nonprogrammed decision

Answer: A, D

29) Top managers in an organization tend to \_\_\_\_\_.

A) make programmed decisions

B) solve structured problems

C) make nonprogrammed decisions

D) solve well-defined problems

Answer: C

30) Which three conditions do decision makers face?

A) certainty, risk, uncertainty

B) certainty, uncertainty, confidence

C) risk, high risk, low risk

D) certainty, risk, high risk

31) In a condition of certainty, \_\_\_\_\_.

- A) most outcomes are known
- B) the decision is already made
- C) all outcomes of all alternatives are known
- D) some alternatives are not known

Answer: C

32) If a car buyer knows the inventory dealer price of the same car at different dealerships, he or she is operating under what type of decision-making condition?

- A) risk
- B) uncertainty
- C) certainty
- D) factual

Answer: C

33) A retail clothing store manager who estimates how much to order for the current spring season based on last spring's outcomes is operating under what kind of decision-making condition?

- A) seasonal
- B) risk
- C) uncertainty
- D) certainty

34) \_\_\_\_\_ is a situation in which a decision maker has incomplete information about outcomes and does not have the ability to reasonably estimate outcomes that are not known.

- A) Certainty
- B) Risk
- C) Uncertainty
- D) High certainty

Answer: C

35) A low-level manager is most likely to solve problems under which condition?

- A) certainty
- B) low risk
- C) uncertainty
- D) low certainty

Answer: A

36) A top-level manager is most likely to solve problems under which condition?

- A) certainty
- B) risk
- C) uncertainty
- D) high certainty

Answer: C

37) A manager has a choice of three investment funds. To assess them, he looks at their past investment records over the previous five years. The manager is operating under which condition?

- A) certainty
- B) probability
- C) uncertainty
- D) risk

Answer: D

38) A manager has a choice of three bank CDs that pay different amounts of interest over different time periods. The manager is operating under which condition?

- A) jeopardy
- B) certainty
- C) uncertainty
- D) risk

Answer: B

39) Managers in organizations make group decisions \_\_\_\_\_.

- A) frequently
- B) never
- C) almost never
- D) rarely

Answer: A

40) One advantage of group decision making is that it usually provides \_\_\_\_\_ than individual decision making.

- A) faster decisions
- B) more ethical decisions
- C) less confusion

D) more information

Answer: D

41) Group decision making typically increases the legitimacy of a decision because the decision was made \_\_\_\_\_.

A) over a long period of time

B) democratically

C) by experts

D) primarily by the group leader

Answer: B

42) Decisions made by individuals typically suffer from suspicions that the decision maker \_\_\_\_\_.

A) is dishonest

B) is not rational

C) did not try to analyze the situation

D) did not consult all interested parties

Answer: D

43) Which of the following is a drawback to seeking diverse views in decision making?

A) less reliable decision

B) easier decision-making process

C) more time consuming

D) less time consuming

Answer: C

44) What tends to be the most successful group size?

A) ten to twenty-five

B) five to seven

C) twelve to twenty-five

D) three to twelve

Answer: B

45) Groups decisions are usually \_\_\_\_\_ individual decisions.

A) more efficient than

B) less efficient than

C) equal in efficiency to

D) more efficient but less effective than

Answer: B

46) Since all members of a group are rarely equal in status, most groups suffer from \_\_\_\_\_.

A) minority domination

B) majority domination

C) too much diversity

D) gridlock

Answer: A

47) \_\_\_\_\_ can cause people in a group to fail to express their true opinions.

A) Ambiguous responsibility

B) Group imbalance

C) Pressure to conform

D) Years of experience

Answer: C

48) Which of the following is used exclusively to generate creative ideas in a group setting?

A) brainstorming

B) nominal group technique

C) groupthink

D) electronic meetings

Answer: A

49) Which of the following group techniques allows group members to meet together, but at the same time facilitates independent decision making?

A) brainstorming

B) nominal group technique

C) large meetings of over 50 individuals

D) small meetings of less than 10 individuals

Answer: B

50) The \_\_\_\_\_ blends the nominal group technique with sophisticated computer technology.

A) personal meeting

B) electronic meeting

- C) virtual meeting
- D) preliminary meeting

Answer: B

51) The use of *ringisei* in Japanese organizations reflects which of the following values in Japanese culture?

- A) tradition-following
- B) consensus-seeking
- C) risk taking
- D) go-it-alone

Answer: B