

1. C  
Target markets. In electronic commerce, customers leave behind bits of information each time they visit a site, such as their names, addresses, credit-card numbers, preferences, and purchase decisions. Businesses accumulate this information and develop profiles of customers in order to know who their customers are and what they want. Then, businesses use the profiles to more effectively target their specific markets, the group of people who are most likely to buy their products. Businesses do not develop profiles of customers in order to create software, conduct research, or secure transactions.  
SOURCE: BA:208  
SOURCE: BA LAP 3--Internet's Impact on Marketing
2. C  
Concessions. Concessions are items granted by one party to another in order to reach agreement. In a purchasing situation, the buyer might want to negotiate such concessions as delivery by a certain date, favorable shipping terms, or an extended payment period. Obtaining concessions is usually part of the negotiating process. Commitments are promises of various kinds. Commissions are sums earned by salespersons on their sales. Consequences are the results of actions.  
SOURCE: BA:011  
SOURCE: pp. 467-469, Purchasing and Supply Chain Management. Monczka, R.; Trent, R.; Handfield, R., South-Western, 2nd ed., 2002.
3. C  
Revenue. The revenue category of the profit-and-loss statement includes the total amount of money earned by an online business. It includes interest earned from bank accounts, returns on investments, sale of assets, and sales of the business's goods and services. Assets are anything of value that the business owns and are included on a balance statement. Net income is the money remaining after operating expenses are subtracted from gross profit. Gross sales is the total value of goods or services sold in a period of time.  
SOURCE: BA:020  
SOURCE: MN LAP 61--Profit-and-Loss Statements
4. B  
Confidentiality. E-mails are about as confidential as postcards: Anyone exposed to them can read them. They can even be intercepted in transit over the Internet, unless they are encrypted. Sensitive financial and medical information can, therefore, fall into the wrong hands. E-mail is a reliable way of sending information quickly. Most legitimate e-mail that is sent from businesses or individuals to other businesses and individuals is authentic and believable.  
SOURCE: BA:211  
SOURCE: BA LAP 4--Issues in E-Commerce
5. B  
Spend their money. A budget estimates how an Internet business will earn and spend its money. Businesses use budgets to estimate how they will spend the money they earn as income. Businesses have expenses, and budgets help businesses plan how to allocate income in order to pay those expenses. Businesses do not use budgets to calculate their assets, file their taxes, or depreciate their assets.  
SOURCE: BA:024  
SOURCE: MN LAP 59--Nature of Budgets
6. D  
All employees. A quality culture cannot exist in a brick-and-click business unless all employees are involved. Although some employees are more directly involved, everyone must participate. For example, management must provide the guidance and direction as well as the tools necessary for employees to do quality work. The production staff must do their best to produce a quality product, and salespeople must provide quality service to customers. Support personnel, such as accounting clerks and delivery people, also must be committed to doing a quality job. Everyone must do their part and work together to develop a quality culture.  
SOURCE: BA:025  
SOURCE: pp. 282-283, Succeeding in the World of Work: Teacher's Wraparound Edition. Kimbrell, G.; Vineyard, B.S., Glencoe/McGraw-Hill, 6th ed., 1998.
7. B  
Conflict of interest. Managers might encounter a conflict of interest if they are unable to be objective when making decisions about employees. For example, if they are friends with an employee, they might not want to give that person a negative performance evaluation even though it is justified. In those situations, managers should remove themselves in order to be ethical and allow a manager who is not a friend of the employee to conduct the evaluation. Balance of trade is the difference between the value of a nation's exports and its imports. Span of control is the number of workers reporting to a manager. Return on investment is income received from an investment in a business.  
SOURCE: BA:027  
SOURCE: pp. 91-93, Essentials of Management. DuBrin, A.J., Thomson/South-Western, 6th ed., 2003.