The MBA Foundation Examinations measure knowledge and understanding of material covered in Excelsior College’s MBA program’s five foundational courses, namely—Quantitative Analysis (BUS 503), Finance (BUS 505), Marketing (BUS 506), Organizational Behavior (BUS 553), and Ethics (BUS 523). Students in the MBA program can choose to test out of one or more of these courses by receiving a passing grade (70%) for each exam. If a student passes the exam, the corresponding course requirement is waived; however, no credits will be awarded.

Organizational Behavior (BUS 553) is a business course required in the Excelsior MBA program. The course is designed to assess managerial competencies in the context of current and prospective requirements for effective management. The course will also measure students’ knowledge in solving the challenges that face managers when complexity combines with demands for flexibility, a situation that characterizes many contemporary organizations. In addition to factual knowledge, the test will evaluate students’ abilities to analyze and solve problems, understand relationships, and interpret material typically encountered by working adults in the area of Organizational Behavior. Students who have successfully completed an upper-level undergraduate course in Organizational Behavior with a grade of “B” or better in the last ten years will not need to take the exam.

The intent of this guide is to provide students who are planning to take the foundation exam with information on the topics and the reference (textbook) for the exam. In addition, the guide includes some sample questions for students to review.
Important information to help you prepare for this MBA Foundation® Examination

General Description of the Examination

The MBA Organizational Behavior Exam is designed to assess managerial competencies in the context of current and prospective requirements for effective management. The exam will also measure students’ knowledge in solving the challenges that face managers when complexity combines with demands for flexibility, a situation that characterizes many contemporary organizations.

Learning Outcomes:

The exam objectives support the achievement of the following program learning outcomes:

1. Describe the evolution of management and the demands made upon managers in today’s business environment.
2. Compare and contrast various theories of motivation and job satisfaction and current business practices, and demonstrate how to build an organizational climate that promotes competitive advantage as a result of high morale and productivity.
3. Identify the dynamics of teams in organizations and the variety of work that teams perform.
4. Identify and describe the interpersonal processes through which managers perform their work, including leadership, decision making, communication, conflict resolution, organizational politics, influence, and power.
5. Explain the importance of managing organizational change, the challenges of demographic and cultural diversity, and multi-national organizations.
6. Describe the design and structure of organizations in relation to environmental forces (i.e., regulatory agencies, competition, community, etc.) business strategies, and the implications of technological innovation.

Uses for the Examination

Students who achieve a passing grade on this exam waive the course requirement of BUS 553 Organizational Behavior.

Exam Length and Scoring

- The exam consists of 100 four-option multiple choice questions.
- The time limit of the exam is two hours.
- This is a non-credit bearing exam.
- Passing grade cut point is 70 percent.
- Students will be awarded the grade of “Pass” or “Fail.”
- Students will only be able to take this specific exam once.

Exam Construction and Validity

Excelsior College assessment experts subject each question to rigorous tests of sensitivity and reliability. In addition, every effort is made to include questions that assess the most common and important topics and skills within the College’s current course. A committee of teaching faculty and practicing professionals determine the learning outcomes to be tested. Working with the School of Business & Technology, the Excelsior College Assessment Unit staff oversees the technical aspects of test construction in accordance with current professional standards. To promote fairness in testing, we take special care to ensure that the language used in the exams and related materials is consistent, professional, and user friendly. Editorial staff perform systematic quantitative and qualitative reviews that address accuracy, clarity, and compliance with conventions of bias-free language usage.

(continued on next page)
Exam Administration
The exam is administered at Pearson VUE testing centers worldwide. All questions regarding the administration of this exam should be directed to the Test Administration Office at Excelsior College. Students must receive prior approval from their advisors before they can register to take the exam (www.excelsior.edu/messagecenter).

Computer-Delivered Testing
The exam will be delivered by computer at the Pearson VUE Testing Center. You will enter your answers on the computer using either the keyboard or the mouse. The system used for our computer-delivered testing is designed to be as user-friendly as possible, even for those with little or no computer experience.

We strongly encourage you to use the online tutorial prior to taking your exam at Pearson Professional Centers. If you wish to access the tutorial, go to www.excelsior.edu/exams and click on the ECE Virtual Tour. A tutorial will not be available at the test center.

Suggestions for Test Preparation
At the core of each exam preparation guide is a detailed content outline that begins with a content/percent chart showing the relative importance of each major content area to be assessed. These weightings may be useful to you as you are preparing the review of this MBA foundation exam. You may want to review the content areas in the outline and the corresponding sections in the required textbook from the course. It is not required that you purchase a copy of the textbook. However, exam questions are based on the materials taught in the course and included in the textbook.

For each exam, five sample questions are provided to illustrate those typically found on the particular exam. The sample questions are not intended to be a practice test, but they may serve as models if you wish to create your own test questions for review purposes.

In the last pages of this guide, you will find rationales for the multiple-choice sample questions. The key (correct answer) is indicated in bold. The rationales explain why the key is the correct answer and what is wrong with the other answer choices. In addition, each question is referenced to the content outline. Please note that if you chose one of the wrong answers, you should return to its section of the content outline for additional review.

On the day of your exam, do yourself some favors:

- Arrive at the test site rested and prepared to concentrate for an extended period.
- Be sure to allow sufficient time to travel, park, and locate the test center.
- Practice healthy eating and stress control in the days before your exam.
- Dress comfortably—the computer will not mind that you are wearing your favorite relaxation outfit.
- Be prepared for possible variations in temperature at the test center due to changes in the weather or energy conservation measures.
- Bring your IDs and ATT letter, but otherwise, do not weigh yourself down with belongings that will have to be kept in a locker during the test.

Academic Honesty
Nondisclosure Statement
All test takers must agree to abide by the terms of the Excelsior College Academic Honesty Policy before taking an examination. The agreement will be presented on screen before the start of your exam. Once you accept the terms of the agreement, you will be able to proceed with your exam. If you choose not to accept the terms of this agreement, your exam will be terminated. You will not be eligible for a refund. For more information, review the Student Policy Handbook at www.excelsior.edu/studentpolicyhandbook.

Student behavior will continue to be monitored post administration and electronic measures are used to monitor the security of test items and scan for illegal use of intellectual property. This monitoring includes surveillance of Internet chat rooms, Web sites, and other public forums.
The major content areas on the MBA Organizational Behavior examination and the percent of the examination devoted to each content area are listed below.

<table>
<thead>
<tr>
<th>Content Area</th>
<th>Percent of the Examination</th>
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<tbody>
<tr>
<td>I. Ethics</td>
<td>4%</td>
</tr>
<tr>
<td>II. Individual Differences</td>
<td>6%</td>
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<tr>
<td>III. Perceptions and Attributions</td>
<td>7%</td>
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<tr>
<td>IV. Learning</td>
<td>6%</td>
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<tr>
<td>V. Motivation</td>
<td>11%</td>
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<tr>
<td>VI. Stress and Aggression</td>
<td>6%</td>
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<tr>
<td>VII. Communication</td>
<td>8%</td>
</tr>
<tr>
<td>VIII. Leadership</td>
<td>14%</td>
</tr>
<tr>
<td>IX. Teams and Teamwork</td>
<td>7%</td>
</tr>
<tr>
<td>X. Conflict and Negotiation</td>
<td>6%</td>
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<tr>
<td>XI. Decision Making</td>
<td>6%</td>
</tr>
<tr>
<td>XII. Organizational Design</td>
<td>6%</td>
</tr>
<tr>
<td>XIII. Organizational Culture</td>
<td>6%</td>
</tr>
<tr>
<td>XIV. Organizational Change</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>100%</strong></td>
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</tbody>
</table>

(Content outline continued on next page)
I. Ethics (4%)

A. Moral development
B. Ethical decision making
C. Procedural and interactional justice
D. Stakeholder rights and responsibilities

II. Individual Differences (6%)

A. Personality
   1) Source, traits, emotional intelligence
B. Attitudes
C. Emotions

III. Perceptions and Attributions (7%)

A. Perceptual process and selection
B. Perceptual errors
C. Impression management
D. Attribution process

IV. Learning (6%)

A. Conditioning
B. Reinforcement contingencies and schedules
C. Social learning theory

V. Motivation (11%)

A. Needs theories
B. Job design
C. Expectancy theory
D. Equity theory
E. Goal setting
F. Reward programs
   1) Profit sharing
   2) Skill based
   3) Flexible benefits

VI. Stress and Aggression (6%)

A. Stress and stressors
B. Individual differences in perceiving and coping with stress
C. Managing stress
D. Aggression at work (bullying, harassment, violence)

VII. Communication (8%)

A. Communication process
B. Ethical dimensions of communication
C. Nonverbal communication
D. Cross-cultural communication
E. Social networks

VIII. Leadership (14%)

A. Power and politics
B. Trait theory
C. Theory X and Theory Y
D. Behavioral models of leadership
E. Situational leadership model
F. Vroom-Jago model
G. Transactional leadership
H. Leader member exchange
I. Authentic leadership
J. Transformational leadership
K. Global aspects of leadership

IX. Teams and Teamwork (7%)

A. Groups versus teams
B. Formation/stages of development
C. Types of teams
D. Effectiveness factors
E. Dysfunctions
X. Conflict and Negotiation (6%)

A. Types and levels of conflict
B. Conflict-handling styles
C. Negotiation stages and strategies
D. Cross-cultural negotiation

XI. Decision Making (6%)

A. Conditions
B. Models
   1) Bounded rationality
   2) Evidence-based
C. Political decision making
D. Creative decision making

XII. Organizational Design (6%)

A. Factors and fundamentals
B. Vertical design basics
C. Horizontal design basics

XIII. Organizational Culture (6%)

A. Formation and change
B. Types of organizational culture
C. Socialization of organization members
D. Ethics and organizational culture

XIV. Organizational Change (7%)

A. Pressures for change
B. Planned change
C. Resistance to change
D. Organizational diagnosis and change methods
1. A manager defines the primary role of leadership as making sure employees meet deadlines, follow rules, and maintain performance standards. This is an example of which type of leader behavior?

1) democratic
2) laissez-faire
3) employee-oriented
4) production-oriented

2. Which situation describes the norming stage of group development?

1) Group relationships are becoming closer and stronger.
2) Group energy is engaged in performing the task at hand.
3) Group relationships are governed by conflict within the group.
4) Group members test each other to determine acceptable types of behavior.

3. Which behavior is most likely to be exhibited by an individual from a culture with high power distance?

1) a high level of creativity
2) considerable attention to status
3) emphasis on bottom-up communications
4) informality in superior-subordinate relationships

4. A mid-sized organization is highly decentralized, highly complex, and has a low level of specialization and few formal procedures for decision making. Which term describes the structure of this organization?

1) bureaucratic
2) mechanistic
3) organic
4) simple

5. Which perceptual process is defined as the situation in which the best producer in a group of low producers receives a high performance evaluation?

1) halo effect
2) contrast effect
3) selective perception
4) self-fulfilling prophecy
Learning Resources for this Exam

The textbook listed below is recommended by Excelsior College and is the textbook used for the graduate course in Organizational Behavior (BUS 553). For information on ordering from the Excelsior College Bookstore, please see page 10 in this guide. You may also find resource materials in other college libraries. Public libraries may also have some of the textbooks or may be able to obtain them through an interlibrary loan program.

Recommended Textbook

<table>
<thead>
<tr>
<th>Organizational Behavior</th>
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<tbody>
<tr>
<td><strong>Author</strong></td>
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<tr>
<td><strong>Edition</strong></td>
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<td><strong>ISBN-10</strong></td>
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<td><strong>ISBN-13</strong></td>
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<tr>
<td><strong>Publisher</strong></td>
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</table>

*Order the resources you need today!*

The Excelsior College Bookstore is available by phone, fax, email, Web site, and mail. See page 10 for ordering information.
Rationales for Sample Questions

1. (VIIID)

1) The democratic leadership style is characterized by a leader who is collaborative, responsive, and interactive with others. Followers have a high level of decision making responsibility, although the leader has ultimate responsibility.

2) The laissez-faire leadership style is one in which the leader fails to accept the responsibilities of the position. The leader abdicates authority and this, in turn, can cause role ambiguity for followers, or even chaos.

3) Employee-oriented leaders display concern and empathy for others. Interpersonal relationships are emphasized and the leader tends to provide less direct or close supervision to followers.

4) The production-oriented leader emphasizes the technical or task aspects of jobs, with concern focused on accomplishing the tasks at hand. The leader supervises through the use of rules and regulations governing behavior.

2. (IXB)

1) The norming stage of group development is characterized by members developing close relationships and a sense of cohesiveness. Members also assimilate a shared set of expectations of what is correct behavior.

2) The performing stage of group development is characterized by members becoming more aware and clear about the group’s mission and purpose. The group moves from getting to know each other to performing their assigned tasks.

3) The storming stage of group development is one of intragroup conflict. There is considerable conflict as power struggles, cliques, and factions within the group begin to form.

4) The forming stage of group development is one of uncertainty about the group’s purpose, structure, and leadership. Members test each other to determine what types of behaviors are acceptable.

3. (XD)

1) A high level of creativity is indicative of employees in low power distance cultures. Employees in low power distance cultures participate in decision making, and creativity and innovation are encouraged.

2) In cultures with high power distance, employees accept that people in organizations have varying levels of power. As a result, one’s age, seniority, and rank are valued and heavily influence credibility.

3) Bottom-up communication frequently occurs in organizations where low power distance exists. By contrast, communication in high power distance organizations typically flows from top to bottom.

4) In low power distance organizations, supervisors are highly respected by subordinates and are extended differential treatment.

4. (XIIC)

1) An organizational structure with highly routine operating procedures achieved through centralized authority, functional departments, specialization, and formalization of rules is known as a bureaucracy.
2) An organizational design that emphasizes structured activities, specialized tasks, a limited information network, and centralized decision making is a mechanistic organization.

*3) An organizational structure that emphasizes teamwork, is highly decentralized and highly complex, and features a low level of specialization and few formal procedures for decision making is an organic organization.

4) An organizational structure characterized by a low level of departmentalization, wide span of control, centralized authority, and little formalization of rules is a simple structure.

5. (IIIB)

1) Halo effect occurs when one draws a general impression about an individual based on a single characteristic of that individual.

2) Contrast effect occurs when the evaluation of a person’s characteristics is affected by comparisons with other people who rank higher or lower on the same characteristics.

3) Selective perception is the process of selecting information that supports one’s own viewpoints while discounting information that may threaten one’s beliefs.

4) Self-fulfilling prophecy is the situation in which one’s expectations about other people affect interaction with them in such a way that one’s own expectations are confirmed.

*correct answer
Other Important Information and Resources

Registration Information

Register online—Go to www.excelsior.edu/examregistration. Follow the simple instructions to register using your Visa, MasterCard, American Express, or Discover Card.

Register by phone—Call toll free 888-72EXAMS (888-723-9267)

Register by mail—Mail registration is not available for the MBA exams.

Excelsior College Bookstore

The Excelsior College Bookstore is staffed Monday through Thursday from 7 AM to 9 PM, Friday from 7 AM to 6 PM, Saturday from 8 AM to 5 PM, and Sunday from noon to 4 PM Eastern time.

To order by phone, call 800-325-3252

To order by fax, call 800-325-4147

To order materials online, anytime, visit the bookstore at www.excelsior.edu/bookstore.

Pearson VUE

Web site: www.pearsonvue.com/excelsior

Call center: 888-926-9488

For More Information

For more information regarding Excelsior College Examinations, access the downloadable Excelsior College® Examinations Registration and Information: A User’s Guide at www.excelsior.edu/exams.
# Frequently Asked Questions (FAQ)

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>I took some of these courses as an undergraduate student. Do I need to take these exams?</td>
<td>No. In general, you do not have to take the graduate foundation courses if you have taken and passed upper-level, undergraduate-equivalent courses with a grade of “B” or better within the last ten years. Please contact your advisor (<a href="http://www.excelsior.edu/messagecenter">www.excelsior.edu/messagecenter</a>) and see if the corresponding foundation course can be waived.</td>
</tr>
<tr>
<td>How do I sign up for the exams?</td>
<td>You can register for the exams either online or by phone. However, you must obtain an approval by your advisor prior to the registration.</td>
</tr>
<tr>
<td>What is the cost of the exam? Does the exam qualify for financial aid?</td>
<td>The cost of the exam is $300. The exam does not qualify for financial aid.</td>
</tr>
<tr>
<td>Do I get any course credits if I pass the exam?</td>
<td>No. You will not receive any credits. If you pass the exam, however, you will not be required to take the corresponding graduate foundation course.</td>
</tr>
<tr>
<td>I did not pass the exam. Can I take it over again?</td>
<td>No. You only have one chance to pass the exam. However, you are allowed to take another foundation exam. In general, you are allowed only one attempt for each foundation exam.</td>
</tr>
<tr>
<td>Am I required to purchase the textbook for the exam?</td>
<td>No. You are not required to purchase the textbook. However, it is a good idea to obtain a copy through a purchase or a library loan. This will allow you to go through the content and materials as a review for the exam.</td>
</tr>
<tr>
<td>What do I do if I am not able to take the exam at the scheduled time?</td>
<td>You must reschedule your exam by 7:00 PM Central time on the business day before the scheduled appointment time, or at least 24 hours before the scheduled time, whichever comes first.</td>
</tr>
<tr>
<td>Can I share the test questions with others?</td>
<td>Absolutely not! This would violate the academic honesty policy of the College. Excelsior College actively monitors the Web and other public forums to make sure the integrity of the exam is not compromised. Any violation to this policy will result in the disqualification of your exam results and/or further disciplinary and legal actions.</td>
</tr>
<tr>
<td>Are the exams available internationally?</td>
<td>Yes. You can take the exam at Pearson VUE authorized test centers worldwide. There is an additional $10 charge.</td>
</tr>
</tbody>
</table>
Notes
Notes