

# CLEP Principles of Management

## AT A GLANCE

### Description of the Examination

The CLEP® Principles of Management examination covers material that is usually taught in an introductory course in the essentials of management and organization. The fact that such courses are offered by different types of institutions and in a number of fields other than business has been taken into account in the preparation of this exam. It requires knowledge of human resources and operational and functional aspects of management.

The exam contains approximately 100 questions to be answered in 90 minutes. Some of these are pretest questions that won't be scored.

### Knowledge and Skills Required

Questions on the CLEP Principles of Management exam require test takers to demonstrate one or more of the following abilities in the approximate proportions indicated:

- Specific factual knowledge, recall, and general understanding of purposes, functions, and techniques of management (about 10% of the exam)
- Understanding of and ability to associate the meaning of specific terminology with important management ideas, processes, techniques, concepts, and elements (about 40% of the exam)
- Understanding of theory and significant underlying assumptions, concepts, and limitations of management data, including comprehension of the rationale of procedures, methods, and analyses (about 40% of the exam)
- Application of knowledge, general concepts, and principles to specific problems (about 10% of the exam)

The subject matter of the Principles of Management exam is drawn from the following topics. The percentages next to the main topics indicate the approximate percentage of exam questions on that topic.

## **15–25% ORGANIZATION AND HUMAN RESOURCES**

- Personnel administration
- Human relations and motivation
- Training and development
- Performance appraisal
- Organizational development
- Legal concerns
- Workforce diversity
- Recruiting and selecting
- Compensation and benefits
- Collective bargaining

## **10–20% OPERATIONAL ASPECTS OF MANAGEMENT**

- Operations planning and control
- Work scheduling
- Quality management (e.g., TQM)
- Information processing and management
- Strategic planning and analysis
- Productivity

## **45–55% FUNCTIONAL ASPECTS OF MANAGEMENT**

- Planning
- Organizing
- Leading
- Controlling
- Authority
- Decision making
- Organization charts
- Leadership
- Organizational structure
- Budgeting
- Problem solving
- Group dynamics and team functions
- Conflict resolution
- Communication
- Change
- Organizational theory
- Historical aspects

## **10–20% INTERNATIONAL MANAGEMENT AND CONTEMPORARY ISSUES**

- Value dimensions
- Regional economic integration
- Trading alliances
- Global environment
- Social responsibilities of business
- Ethics
- Systems
- Environment
- Government regulation
- Management theories and theorists
- E-business
- Creativity and innovation

## Study Resources

Most textbooks used in college-level principles of management courses cover the topics in the outline given earlier, but the approach to certain topics and the emphasis given to them may differ. To prepare for the Principles of Management exam, it's advisable to study one or more college textbooks, which can be found for sale online or in most college bookstores. Look at the table of contents first to make sure it matches the knowledge and skills required for this exam.

A survey conducted by CLEP found that the following textbooks are among those used by college faculty who teach the equivalent course.

Bateman and Snell, <i>M: Management</i> (McGraw-Hill)
Griffin, <i>Fundamentals of Management</i> (Cengage)
Hill and McShane, <i>Principles of Management</i> (McGraw-Hill)
Jones and George, <i>Essentials of Contemporary Management</i> (McGraw-Hill)
Montana and Charnov, <i>Management</i> (Barron's)
Robbins and Coulter, <i>Management</i> (Prentice Hall)
Robbins and DeCenzo, <i>Fundamentals of Management</i> (Prentice Hall)
Schermerhorn, <i>Management</i> (Wiley)
Williams, <i>MGMT</i> (Cengage)

Visit [clep.collegeboard.org/business/principles-of-management](http://clep.collegeboard.org/business/principles-of-management) for additional management resources. You can also find suggestions for exam preparation in Chapter IV of the *CLEP Official Study Guide*. In addition, college faculty post their course materials on their schools' websites.

## Sample Test Questions

The following sample questions don't appear on an actual CLEP exam. They're intended to give potential test takers an indication of the format and difficulty level of the exam and to provide content for practice and review. For more sample questions and info about the test, see the *CLEP Official Study Guide*.

1. According to equity theory, after an employee receives a reward for performance, what is the next step the employee takes in the motivation process?
  - A. Negotiating new valued rewards for the next performance period
  - B. Comparing the reward with a self-selected comparison group or person
  - C. Reducing productivity briefly while enjoying the earned reward
  - D. Expecting an increase in future rewards
  - E. Working harder than they did previously
2. In addition to planning, organizing, and controlling, which of the following is a major function of management?
  - A. Communicating
  - B. Directing
  - C. Supervising
  - D. Leading
  - E. Operating
3. The process of a disinterested party intervening in a dispute, with only the power to guide the disputants through a resolution process, is called:
  - A. Collective bargaining
  - B. Win-win negotiations
  - C. Compromising
  - D. Mediation
  - E. Arbitration
4. In Michael Porter's five forces model of global environmental scanning, which of the following is one of the five forces?
  - A. Sociocultural factors
  - B. Inflation
  - C. Technology transfer
  - D. Material artifacts of culture
  - E. Power of suppliers

5. Which of the following is the series of international standards designed to manage and minimize the harmful effects of businesses on the environment?
- A. ISO 9000
  - B. ISO 10000
  - C. ISO 12000
  - D. ISO 14000
  - E. ISO 16000
6. When in group meetings, Mikhail routinely shows skills in reducing tension among members, supporting others' ideas, and showing sensitivity to the decreased performance of fellow members caused by fatigue. He is exhibiting which of the following types of group roles?
- A. Maintenance
  - B. Task
  - C. Gatekeeper
  - D. Decisional
  - E. Follower
7. Ying belongs to a group of workers who are given administrative oversight of the group's planning, scheduling, monitoring, and staffing. Which of the following best describes the type of team to which Ying belongs?
- A. Semiautonomous
  - B. Cross-functional
  - C. Self-managed
  - D. Virtual
  - E. Traditional
8. Which of the following practices enhances job content by building into the job more motivating factors such as responsibility, achievement, recognition, and personal growth, as advocated by Frederick Herzberg?
- A. Job enlargement
  - B. Job enrichment
  - C. Job rotation
  - D. Job reengineering
  - E. Job intensification

## Credit Recommendations

The American Council on Education has recommended that colleges grant three credits for a score of 50, which is equivalent to a course grade of C, on the Principles of Management exam. Each college, however, is responsible for setting its own policy. For candidates with satisfactory scores on the Principles of Management exam, colleges may grant credit toward fulfillment of a distribution requirement, or for a particular course that matches the exam in content. Check with your school to find out the score it requires for granting credit, the number of credit hours granted, and the course that can be bypassed with a passing score.

### Answers to Sample Questions:

1-B; 2-D; 3-D; 4-E; 5-D; 6-A; 7-C; 8-B