**Chapter 2 Test Bank and Answers**

**Forces Effecting Growth and Change in the Hospitality Industry**

## Multiple Choice

Choose the **one** **best** answer.

1. The hospitality industry is shaped by

a) sudden event such as the September 11th attacks.

b) some gradual changes such as demographic changes.

c) social and economic factors.

d) all of the above.

2. The most important force driving changes in hospitality services is

a) the baby boom.

b) consumer demand.

c) family structure.

d) working women.

3. The baby boom refers to

a) the repeated surges in young children that result from an earlier generation all coming of age more or less at the same time.

b) the generation now aged 5 to 25.

c) the impact of high spending of parents on their children for all kinds of goods and services.

d) the surge in young children born after World War II between 1946 and 1964.

4. “Generation Xers”

a) are affluent, middle-aged yuppies.

b) favor formality and fine dining.

c) are relatively young and face a competitive job market.

d) are generally not price conscious.

5. The Generation Y are

a) the children of baby boomers.

b) the children born during the “baby bust.”

c) another term to describe conformity found among baby boomers, especially in their dining and other food habits.

d) the children born immediately after the end of the baby boom.

6. Between now and the year 2020, marketing aimed at appealing to families with children under five

a) will become more sophisticated because of growing electronic supervision.

b) will mean children’s menus in most food service operations.

c) will probably be of less importance due to the decline in that age group.

d) will target families using special rates and child-oriented services.

7. Teenagers and young adults between the year 2010 and 2020

a) will decrease significantly as a percentage of the population.

b) will positively impact QSRs.

c) will impact food service little because they have little buying power.

d) will not affect the family and tourism markets.

8. After the year 2012 the demand for

a) food service in all sectors will increase because of immigration.

b) increased income is expected to drive the food service industry.

c) services will increase for retirees.

d) food service for baby boomers will decrease.

9. Psychographics refers to

a) people’s interests.

b) people’s different patterns of activities.

c) people’s opinions.

d) all of the above.

10. The percentage of women in the work force

a) was less than 50% as recently as 1980.

b) surpassed 50% in 1990.

c) is increasing overall.

d) is increasing in the employee ranks but decreasing in the managerial ranks.

11. Women in the hospitality industry

a) rarely become bartenders, a job dominated by males.

b) are under-represented in the executive ranks.

c) are less numerous today compared to men in waitstaff positions.

d) do not compete with men for managerial positions.

12. Family composition affects hospitality industry demand and the following has occurred:

a) Families without children spend more on take-out than groceries.

b) Empty-nesters have little disposable income because their children have spent it, leaving them with less to spend.

c) Single-person households’ disposable income is the same regardless of gender and these households tend to spend approximately the same on food service.

d) Single parents eat out more often than the average person because of work pressures.

13. Since 1980, the

a) middle class has grown both in numbers and as a percentage of the total population.

b) income of the lower class has increased the most proportionately.

c) income of the mid-range middle class has stagnated, showing neither increase nor decrease.

d) income of $75,000 or more has increased both in numbers and proportion.

14. Which statement is not correct about households without children?

a) They are the largest segment of U.S. households.

b) They spend more on take-out food than grocery.

c) They are decreasing in numbers since 1970.

d) They spend more on travel than any other household.

15. Income compared with dining-out occasions shows that

a) the lowest income group does not dine out.

b) the lowest and highest income groups dine out infrequently.

c) as income decreases, people dine out less often.

d) people with low incomes dine out as frequently as others, but choose lower-priced establishments.

16. Land resources are an important supply factor in the hospitality industry because of

a) existing operations and environmental pressures.

b) psychographics.

c) population growth and capital costs.

d) an increase in population mobility.

17. One reason cited in the text that some restaurant chains were bought by other chains was to

a) diversify.

b) acquire capital.

c) downsize.

d) acquire locations.

18. Food supplies are expected to

a) continue to decline in the future but without threatening a crisis.

b) are likely to enter a crisis stage by the year 2010.

c) pose no major price changes in North America in the foreseeable future.

d) be affected by the technology of automation.

19. Employee turnover in the hospitality industry is highest in

a) full-service restaurants.

b) casual restaurants.

c) institutional food service.

d) QSRs.

20. The female work force participation rate

a) is expected to decline after the year 2020.

b) has begun to decline.

c) is expected to continue to grow at about the same rate as it has since 1975 until the year 2020.

d) is expected to grow more rapidly for women over the age of 45.

21. Growth in the food service labor force in the near future is expected

a) to increase in most skilled positions.

b) to increase except for cooking positions.

c) to decrease for wait staff.

d) to double for tourism employees.

22. An example of “target-marketing” employees is

a) a demographic study of the labor force.

b) an application of psychographics.

c) enticing retirees to work part-time in food service jobs.

d) to hire illegal immigrants.

23. Work force diversity in the hospitality industry refers to

a) the extreme variations in pay scale related to skill.

b) the widely different availability of labor in different markets.

c) the shortage of skilled as opposed to unskilled jobs.

d) the presence of more minority workers and women in the work force.

24. In the future, solving labor problems in the food service industry will

a) mean higher employee turnover.

b) force management to lower wages.

c) invariably mean higher food service prices.

d) mean fewer fringe benefits and reduction of those already in place.

25. Forecasted growth in the food service industry over the next decade is expected to be

a) about equal to growth in the workforce overall.

b) exceed growth in the workforce overall.

c) far less than the workforce overall.

d) negative.

**True/False**

1. Basic market forces such as consumer demand drives the hospitality industry today and in the future.

2. Changing demographics impact all sectors of the hospitality industry.

3. Demographics refers to the changing political structure of a country.

4. The baby boomers brought about changes to food service as they passed from children to middle age.

5. The growth of midscale limited-service properties was due, to some extent, to the baby boomers’ desire for informality and good value.

6. Because of changing demographics, children will not be target marketed in the near future.

7. A group that will be expanding between 2010 and 2020 is seniors.

8. Diversity has stimulated the development and success of ethnic restaurants.

9. The Native American population is expected to triple between 2000 and 2050.

10. The majority of women who are in their prime child-bearing years are working.

11. The composition of the family affect how disposable income is spent on food away from home.

12. An interesting thing about income distribution is that people as a whole, no matter which level of income they are in, are food service customers.

13. The minority population in the United States is growing rapidly.

14. Single women spend about twice as much as single men on food away from home.

15. Single parents eat out less often than average, but they are still food service customers.

16. In 1980, over 50 percent of women were at work away from home.

17. Even though people today are working, most plan their time so that they can prepare meals from scratch.

18. Asian workers will grow more than 40% between 2010 and 2020.

19. Locations for hospitality services are becoming scarcer because of recent changes in transportation systems.

20. “Busy parents” account for the greatest percentage of dining out occasions for dinner.

21. By the year 2020 there will a greater demand for food service workers.

22. All segments of the hospitality industry will need more workers in the near future than today.

23. The challenge for food service managers in the near future will be to attract and keep good employees because many other operations will have a greater need for employees.

24. Most employees who work part-time in the hospitality industry would prefer to have full-time jobs.

25. The diversity of people entering the workforce in the near future is dramatically changing.

## Short Answer Questions

1. The basic market forces shaping the hospitality industry are: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Some changes the hospitality managers are expected to cope with: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Characteristics of Generation X that affect hospitality services are: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. In the next few years, which generation will have its greatest level of disposable income?

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5. What is occurring in the Middle East that is similar to changes in the U.S. in the 1960s? What are the primary causes?

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6. The four basic structural changes which will shape the demand for hospitality services in the 21st century are

7. What is the rate of growth in terms of the U.S. population for Hispanics and African Americans?

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8. What are the three most popular ethnic cuisines today? What other types of cuisine will likely to become more popular?

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3)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

9. One way in which family composition impacts on food service is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

10. Describe the changes that have taken place in the income distribution in the middle class: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

11. An environmental pressure that affects food service is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

12. The problem of hospitality locations today is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

13. Define the term *food miles*. Why is it important that we reduce food miles? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

14. How would you respond to the future needs in the labor force? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

15. The biggest job for managers in the future with regard to labor force will be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Answer Key Chapter 2**

## Multiple Choice

1. d

2. b

3. d

4. c

5. a

6. d

7. b

8. c

9. d

10. c

11. b

12. a

13. d

14. a

15. c

16. a

17. d

18. c

19. d

20. a

21. a

22. c

23. d

24. c

25. a

## True/False

1. T

2. T

3. F

4. T

5. T

6. F

7. T

8. T

9. F

10. T

11. T

12. T

13. T

14. F

15. T

16. T

17. F

18. T

19. F

20. F

21. T

22. T

23. T

24. F

25. T

## Short Answer Questions

1. demand from consumers and supply of those things required to supply service

2. Gradual changes such as demographic changes, fluctuating food costs, resource scarcity and work force diversity; sudden changes such as the September 11th attacks and SARS.

3. They have a reputation for being worldly wise and pragmatic since they have lived through down-sizing years; they prefer informal and casual; they have a modest average income and are price conscious; ten years from now they will be in an excellent job market (this last comment should be a bonus as it is pulled from later material in the chapter).

4. Baby boomers

5. Large number of births. A number of factors, including lower infant mortality rates, immigration, and an increase in the size of families, have all contributed to this region’s population growth.

6. changing age composition of the population, diverse population, the proportion of women working, changing family composition and changing income distribution

7. The U.S. population of Hispanics and African Americans continues to grow with percentages as a total of the population of 13 and 16%, respectively.

8. Americans’ favorite cuisines are Chinese, Italian, and Mexican, in no particular order. Answers to what other cuisines will be added to this list will vary.

9. Answers will vary, but choices could include: families without children, empty nesters, single person households (male and/or female), single parents.

10. “Winners” have been University-educated people, retirees with investment income and women with full-time jobs; women’s income has increased; in 1998, the average income of the poorest fifth increased by only 2.4%, about the same amount that the top fifty increased. These changes are not as drastic as they have been in previous years—Industry Practice Note 2.3.

11. Scenic locations have been taken; environmentally sensitive locations are unavailable; resistance to restaurants because of noise, odor, and crowding; restaurants zoned out of locations

12. land, i.e., scarcity of locations, and environmental pressures

13. This term refers to the distance food is transported—in essence, from farm to fork. By reducing food miles, we can reduce the associated negative effects associated with greenhouse emissions from the transportation, among others. Reducing food miles can also enhance the sustainability for the related items as they must be produced closer to the place where the food is served.

14. Answer will vary. It is expected that there will be a shortage of labor; food service will be in competition with other service industries; managers will compete for employees and finding and retaining employees will be the biggest job of managers. The text suggested target marketing employees.

15. To find and retain employees