

# Chapter 1: Nonprofit Management as a Profession and a Field of Study

## Test Bank

### Multiple Choice

1. The requirement that nonprofits achieve measurable results increased the need for \_\_\_\_\_.

- A. empowered customers
- B. funding to state governments
- C. management
- D. voucher programs

Ans: C

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Comprehension

Answer Location: A Revolution in Management

Difficulty Level: Medium

2. Demands that organizational procedures comply with government regulations contributed to the need for \_\_\_\_\_.

- A. dramatic organizational growth
- B. trained managers
- C. philanthropic contributions
- D. long-term investments in nonprofits

Ans: B

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Comprehension

Answer Location: A Distinct Profession

Difficulty Level: Medium

3. *Most* nonprofits obtain revenue from \_\_\_\_\_.

- A. multiple sources
- B. government contracts solely
- C. the sale of products and services
- D. state taxes

Ans: A

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Knowledge

Answer Location: A Distinct Profession

Difficulty Level: Easy

4. Managers of nonprofit organizations measure their success by \_\_\_\_\_.

- A. the number of volunteers recruited within a fiscal year
- B. increasing the organization's resources
- C. expanding services
- D. achieving the mission within financial limits

Ans: D

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Knowledge  
Answer Location: A Distinct Profession  
Difficulty Level: Easy

5. What was the first school of management in the United States?

- A. Mandel Center for Nonprofit Organizations
- B. Wharton School at the University of Pennsylvania
- C. Yale Program on Nonprofit Organizations
- D. Center on Philanthropy at Indiana University

Ans: B

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge  
Answer Location: Nonprofit Management as a Field of Study  
Difficulty Level: Easy

6. Which decade marked a turning point in public policy, with government outsourcing more of the delivery of human services to nonprofit organizations?

- A. the 1960s
- B. the 1970s
- C. the 1980s
- D. the 1990s

Ans: C

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Knowledge  
Answer Location: Nonprofit Management as a Field of Study  
Difficulty Level: Easy

7. People who view nonprofit organizations as social institutions portray nonprofit managers as \_\_\_\_\_.

- A. leaders with strong business backgrounds
- B. servants of society
- C. capitalists
- D. heroes

Ans: B

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Comprehension  
Answer Location: Toward a Balanced Approach  
Difficulty Level: Medium

8. A leader of a nonprofit organization is designing a new type of water purification system to improve living conditions for poor children. Which type of entrepreneurship is the leader demonstrating?

- A. private
- B. public
- C. health
- D. social

Ans: D

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Application  
Answer Location: Toward a Balanced Approach  
Difficulty Level: Hard

9. The complexity of the nonprofit manager's job frequently results in \_\_\_\_\_.

- A. intervention by board members
- B. frustration and burnout

- C. six-figure salaries
- D. increased educational opportunities

Ans: B

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Comprehension

Answer Location: Proceeding With Realism and Pride

Difficulty Level: Medium

10. A force that drove the recent nonprofit management revolution was the \_\_\_\_\_.

- A. introduction of competition
- B. increased number of economic recessions
- C. decline of growth in the sector
- D. decreased demands for accountability

Ans: A

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Knowledge

Answer Location: A Revolution in Management

Difficulty Level: Easy

11. Throughout history, management theorists argued that \_\_\_\_\_.

- A. businesses required more educated managers
- B. government organizations have the most need of managers with distinctive skills
- C. common management principles apply equally to all organizations
- D. nonprofit managers do not need professional development

Ans: C

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Knowledge

Answer Location: A Distinct Profession

Difficulty Level: Easy

12. The beginning of management as a field of study dates back to the \_\_\_\_\_.

- A. 17th century
- B. 18th century
- C. 19th century
- D. 20th Century

Ans: C

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

13. Which organization accredits public administration degree programs?

- A. the Commission on Private Philanthropy and Public Needs
- B. the Yale Program on Nonprofit Organizations
- C. Network of Schools of Public Policy, Affairs, and Administration
- D. the Nonprofit Academic Centers Council

Ans: C

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

14. The perception that nonprofits are less well managed than businesses is \_\_\_\_\_.

- A. argued by for-profit corporations
- B. not based on research
- C. based on financial reports
- D. spread by government agencies

Ans: B

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Comprehension

Answer Location: Chapter Summary

Difficulty Level: Medium

15. There has been a shift in thinking about nonprofits that emphasize \_\_\_\_\_.

- A. increasing the salaries of managers to levels comparable to their business peers
- B. valuing the financial bottom line over achieving the nonprofit's mission
- C. hiring managers with business administration degrees
- D. building the strength of organizations themselves

Ans: D

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Comprehension

Answer Location: A Revolution in Management

Difficulty Level: Medium

16. The double bottom line concept means nonprofit managers must \_\_\_\_\_.

- A. meet organizational goals and objectives
- B. achieve the mission within financial means
- C. be accountable to their donors and the Internal Revenue Service
- D. increase the value of the business and the wealth of its owners

Ans: B

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Comprehension

Answer Location: A Distinct Profession

Difficulty Level: Medium

17. According to Herman, one of the differences of managing a nonprofit versus a for-profit corporation is that nonprofit organizations \_\_\_\_\_.

- A. make decisions that are consistent with the mission and ethical values of the organization
- B. do not make a profit
- C. do not pay federal taxes
- D. do not charge customers for services

Ans: A

Learning Objective: 1-5: Classify various authors in terms of their perspective on the nonprofit sector.

Cognitive Domain: Comprehension

Answer Location: A Distinct Profession

Difficulty Level: Medium

18. According to Higgins, nonprofit organizations have \_\_\_\_\_.

- A. no need for volunteer workers
- B. employees who do not know how to do their work
- C. board members with different goals and agendas
- D. a narrow mission focus

Ans: C

Learning Objective: 1-5: Classify various authors in terms of their perspective on the nonprofit sector.

Cognitive Domain: Knowledge

Answer Location: A Distinct Profession

Difficulty Level: Easy

19. The nonprofit management literature is drawn from which three areas?

- A. social science research, customer complaints, and reports prepared by practitioners
- B. social science research, organizational theory, and community feedback
- C. Internal Revenue Service financial reports, organizational theory, and social science research
- D. social science research, organizational theory, and practitioner reports

Ans: D

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

20. According to Frumkin, the “expressive” purpose of nonprofits is to serve as \_\_\_\_\_.

- A. social institutions
- B. government institutions
- C. business sector institutions
- D. private enterprises

Ans: A

Learning Objective: 1-5: Classify various authors in terms of their perspective on the nonprofit sector.

Cognitive Domain: Knowledge

Answer Location: Toward a Balanced Approach

Difficulty Level: Easy

21. Individuals who believe that nonprofit organizations should apply business methods of management perceive nonprofit organizations as \_\_\_\_\_.

- A. social institutions
- B. government institutions
- C. social enterprises
- D. education institutions

Ans: C

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Knowledge

Answer Location: Toward a Balanced Approach

Difficulty Level: Easy

22. At the University of Georgia, the Institute for Nonprofit Organizations offers graduate school coursework through the departments of social work, political science, and management. This is an example of studying the field of nonprofit management applying a(an) \_\_\_\_\_.

- A. entrepreneurial approach
- B. interdisciplinary approach
- C. natural science approach
- D. inspired approach

Ans: B

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Comprehension

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Medium

23. Bill Shore recommends philanthropic foundations change their focus to funding nonprofit \_\_\_\_\_.

- A. programs
- B. operational costs
- C. capacity
- D. research

Ans: C

Learning Objective: 1-5: Classify various authors in terms of their perspective on the nonprofit sector.

Cognitive Domain: Knowledge  
Answer Location: A Revolution in Management  
Difficulty Level: Easy

24. Who wrote that nonprofit organizations require a multifaceted, flexible approach to management?

- A. Christine Letts
- B. Bill Shore
- C. Robert Herman
- D. Helmut Anheier

Ans: D

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Knowledge

Answer Location: A Distinct Profession

Difficulty Level: Easy

25. Who first suggested that management be a distinct field of study?

- A. Bill Shore
- B. Christine Letts
- C. Henry Towne
- D. Helmut Anheier

Ans: C

Learning Objective: 1-5: Classify various authors in terms of their perspective on the nonprofit sector.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

26. Which university was the first to offer a bachelor's degree in philanthropy?

- A. Harvard University
- B. University of Wisconsin
- C. Indiana University
- D. University of Maryland

Ans: C

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

27. Bill identified an opportunity to meet the needs of young mothers in a new way. He applied a creative fundraising technique to secure the funds to open a counseling center where his new program was offered. According to your author's definitions, Bill is demonstrating the characteristics of \_\_\_\_\_.

- A. social innovation
- B. social intrapreneurship
- C. social science
- D. social counseling

Ans: A

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Comprehension

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Medium

28. Which authors suggest nonprofit organizations shift their focus from "telling time" to "building clocks?"

- A. Letts, Ryan, and Gross
- B. Shore and Letts
- C. Collins and Porras
- D. Herman and Anheier

Ans: C

Learning Objective: 1-5: Classify various authors in terms of their perspective on the nonprofit sector.

Cognitive Domain: Knowledge

Answer Location: A Revolution in Management

Difficulty Level: Easy

### True/False

1. One of the ways that nonprofit organizations differ from for-profit corporations is their type of stakeholders.

Ans: T

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Knowledge

Answer Location: A Distinct Profession

Difficulty Level: Easy

2. One source of nonprofit management literature comes from academics at universities.

Ans: T

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

3. Nonprofit organizations are less well managed than businesses.

Ans: F

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Knowledge

Answer Location: Chapter Summary.

Difficulty Level: Easy

4. The beginning of management as a field of study dates approximately to the late 19th century.

Ans: T

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

5. *Most* small businesses fail within the first 2 years of business.

Ans: F

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Knowledge

Answer Location: Proceeding With Realism and Pride

Difficulty Level: Easy

6. Nonprofits receive all of their revenue from governments.

Ans: F

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Comprehension

Answer Location: A Distinct Profession

Difficulty Level: Medium

7. Mendel argues nonprofit studies must go beyond traditional accountability and include political studies.

Ans: T

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Knowledge

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Easy

8. A recent shift in thinking about nonprofits focused more on the sustainability of the organization as opposed to its services.

Ans: T

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Knowledge

Answer Location: A Revolution in Management

Difficulty Level: Easy

9. The revolution in nonprofit management has been caused, in part, by an economic downturn that occurred in the 2000s which led to a reduction in funding and an increase in the need for services.

Ans: T

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Knowledge

Answer Location: A Revolution in Management

Difficulty Level: Easy

## Short Answer

1. Compare and contrast nonprofit management from business management.

Ans: Varies.

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Analysis

Answer Location: A Distinct Profession

Difficulty Level: Hard

2. Identify the differences between a for-profit business providing a service to its customers and a nonprofit providing a service to its customers. What does the act of satisfying customers in each instance do to its resources?

Ans: Varies.

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Application

Answer Location: A Distinct Profession

Difficulty Level: Medium

3. Determine the type of organization--a business or a nonprofit--where success is more difficult to come by. Why?

Ans: Varies.

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Comprehension

Answer Location: A Distinct Profession

Difficulty Level: Medium



4. Analyze the debate about whether nonprofit management programs are best taught in business schools, schools of public affairs and administration, or in colleges of arts and sciences. Which do you think is the most appropriate setting? Why?

Ans: Varies.

Learning Objectives: 1-2: Explain various approaches to the study of nonprofit organizations.

Cognitive Domain: Analysis

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Hard

5. Interpret two perspectives reflected in the contemporary nonprofit management literature.

Ans: Varies.

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Analysis

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Hard

6. Identify the various stakeholders a nonprofit must be accountable to. Explain why.

Ans: Varies.

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Comprehension

Answer Location: A Distinct Profession

Difficulty Level: Medium

7. Analyze how the revolution in management influenced the way nonprofit organizations are managed.

Ans: Varies.

Learning Objective: 1-1: Describe the differences between management in the nonprofit sector and management in other sectors.

Cognitive Domain: Comprehension

Answer Location: A Revolution in Management

Difficulty Level: Medium

8. Identify differing agendas that might be found in a nonprofit organization. Explain how they may impact the job of the chief executive officer.

Ans: Varies.

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Analysis

Answer Location: A Distinct Profession

Difficulty Level: Hard

9. Compare and contrast the perspectives of scholars and practitioners regarding the plight of nonprofit sector management.

Ans: Varies.

Learning Objective: 1-4: Explain forces that have led to the professionalization of nonprofit management.

Cognitive Domain: Comprehension

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Medium

10. Compare and contrast the “social enterprise school” and the “social innovation school” perspectives.

Ans: Varies.

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Comprehension

Answer Location: Nonprofit Management as a Field of Study

Difficulty Level: Medium

11. In your opinion, do managers of nonprofit organizations manage using a double bottom line or a triple bottom line? Explain.

Ans: Varies.

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Analysis

Answer Location: A Distinct Profession

Difficulty Level: Hard

12. The author of your textbook states that managers of nonprofit organizations must be especially skilled in negotiation and compromise. In your opinion, why does he make this statement?

Ans: Varies.

Learning Objective: 1-3: Describe the growth of nonprofit management as a professional field and a field of study.

Cognitive Domain: Analysis

Answer Location: A Distinct Profession

Difficulty Level: Hard