

Chapter 1 – Nonprofit Management as a Profession and a Field of Study
TEST BANK

1. The requirement that nonprofits meet the expectations for measurable results has increased the need for:

- a. empowered customers.
- b. funding to state governments.
- *c. management.
- d. voucher-type payments.

Answer Location: A Revolution in Management

Learning Objective: 1-4

Cognitive Domain: Comprehension

Question Type: MC

2. Demands for accountability and the need for systems and procedures to comply with greater scrutiny and regulation also have contributed to the need for:

- a. dramatic growth of organizations.
- *b. trained managers.
- c. philanthropic contributions.
- d. long-term investments in nonprofits.

Answer Location: A Revolution in Management

Learning Objective: 1-3

Cognitive Domain: Comprehension

Question Type: MC

3. Most nonprofits obtain revenue from:

- *a. multiple sources.
- b. government contracts only.
- c. the sale of products and services.
- d. corporate sponsors only.

Answer Location: A Distinct Profession:

Learning Objective: 1-1

Cognitive Domain: Knowledge

Question Type: MC

4. Managers of nonprofit organizations must measure their success by:

- a. the number of volunteers they can recruit in a fiscal year.
- b. successfully providing goods and services to customers, thereby increasing the organization's resources.
- c. their ability to manage staff resources without the advantage of a top-down business management hierarchy.
- *d. their ability to achieve a mission and to meet their financial bottom line.

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Knowledge

Question Type: MC

5. The nation's first school of management was the:

a. Mandel Center for Nonprofit Organizations at Case Western Reserve University.

*b. Wharton School at the University of Pennsylvania.

c. Yale Program on Nonprofit Organizations.

d. Center on Philanthropy at Indiana University.

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-2

Cognitive Domain: Knowledge

Question Type: MC

6. Which decade marked a turning point in public policy, with government outsourcing more of the delivery and management of social and human services to nonprofits, which resulted in the increased need for professional management in nonprofit organizations and an increased number of students interested in working for nonprofit organizations?

a. The 1960s.

b. The 1970s.

*c. The 1980s.

d. The 1990s

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-4

Cognitive Domain: Knowledge

Question Type: MC

7. Those who view nonprofit organizations primarily as social institutions portray nonprofit managers as:

a. leaders with strong business backgrounds.

*b. stewards of their organization or servants of society.

c. social entrepreneurs.

d. the glue that holds the rest of the organization together.

Answer Location: Toward a Balanced Approach

Learning Objective: 1-4

Cognitive Domain: Comprehension

Question Type: MC

8. Most small businesses:

a. are better managed than most nonprofits.

b. are more successful than most nonprofits.

c. eventually evolve into corporations.

*d. fail within the first five years of their existence.

Answer Location: Proceeding with Realism and Pride

Learning Objective: 1-1

Cognitive Domain: Knowledge

Nonprofit Management 4e
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Question Type: MC

9. The complexity of the nonprofit manager's job and the multiple pressures inherent in the job frequently result in:

- a. enrolling in professional management refresher courses.
- *b. frustration and burnout.
- c. six-figure salaries.
- d. honorary degrees.

Answer Location: Proceeding with Realism and Pride

Learning Objective: 1-4

Cognitive Domain: Comprehension

Question Type: MC

10. One overarching force that has driven the nonprofit management revolution of recent decades has been:

- *a. the introduction of competition resulting from changes in funding patterns, growth of the sector, and increasing demands for accountability.
- b. the need to hire formally trained managers.
- c. the invasion of for-profit business into philanthropy.
- d. the development of the MPA degree programs in universities, which differentiated the study of public management from the discipline of political science.

Answer Location: A Revolution in Management

Learning Objective: 1-4

Cognitive Domain: Knowledge

Question Type: MC

11. Throughout most of the history of management as a recognized discipline, most theorists have:

- a. maintained that businesses required more educated managers.
- b. stated that government organizations have the most need of managers with distinctive skills.
- *c. argued that common management principles would apply equally to all organizations.
- d. claimed that only business managers have any need of professional development.

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Knowledge

Question Type: MC

12. The beginning of management as a field of study dates approximately to the:

- *a. late 19th century.
- b. early 18th century.
- c. 1960s.
- d. 1980s.

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: MC

13. This organization was founded in 1970 and began to accredit public administration degree programs.

- a. The Commission on Private Philanthropy and Public Needs
- b. The Yale Program on Nonprofit Organizations
- *c. The National Association of Schools of Public Affairs and Administration
- d. The Nonprofit Academic Centers Council

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: MC

14. Concomitant with the increase in nonprofit management literature in the 1990s and 2000s, what also grew rapidly?

- a. Government-funded programs to educate nonprofit managers
- *b. Educational programs related to nonprofit management
- c. Academic journals that specialized in nonprofit management
- d. Competition for philanthropic missions by for-profits

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: MC

15. The perception that nonprofits are less well managed than businesses is:

- a. cultivated mostly by for-profit corporations.
- *b. not based on any research and is a myth.
- c. provides the basis of many nonprofit management courses.
- d. cultivated mostly by government agencies.

Answer Location: Chapter Summary

Learning Objective: 1-1

Cognitive Domain: Comprehension

Question Type: MC

16. There has been a shift in thinking about nonprofits that emphasizes:

- 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 MBAs.
- *d. building the strength of organizations themselves.

Answer Location: A Revolution in Management

Learning Objective: 1-4

Cognitive Domain: Comprehension

Question Type: MC

17. The double bottom line concept means CEOs must:

- a. meet organizational goals and objects.
- *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.

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Knowledge

Question Type: MC

18. According to Herman, one of the differences of managing a nonprofit versus a for-profit corporation is:

- *a. nonprofit decisions must be consistent with the mission and ethical values of the organization.
- b. nonprofits are not allowed to make any profits.
- c. nonprofit stakeholders are the same as stockholders.
- d. none of the above.

Answer Location: A Distinct Profession

Learning Objective: 1-5

Cognitive Domain: Comprehension

Question Type: MC

19. According to Higgins, nonprofit organizations have:

- a. many volunteers.
- b. constituents that don't really know what they do.
- *c. board and staff members with different goals and agendas.
- d. constituents with only one perspective.

Answer Location: A Distinct Profession

Learning Objective: 1-5

Cognitive Domain: Knowledge

Question Type: MC

20. Nonprofit management literature is drawn from which of the 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

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: MC

21. According to Frumkin, the "expressive" purpose of nonprofits is to:

- *a. serve as social institutions.

- b. serve as government institutions.
- c. serve as business sector institutions.
- d. as social enterprises.

Answer Location: Toward a Balanced Approach

Learning Objective: 1-5

Cognitive Domain: Knowledge

Question Type: MC

22. 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.

Answer Location: Toward a Balanced Approach

Learning Objective: 1-4

Cognitive Domain: Knowledge

Question Type: MC

23. The University of Georgia, 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.

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Comprehension

Question Type: MC

24. Bill Shore recommends that philanthropic foundations:

- a. change their focus to funding nonprofit programs.
- b. change their focus to funding operational costs of nonprofit programs.
- *c. change their focus to funding nonprofit capacity.
- d. change their focus to funding research.

Answer Location: A Revolution in Management

Learning Objective: 1-5

Cognitive Domain: Knowledge

Question Type: MC

25. Who wrote that nonprofit organizations require a multi-faceted, flexible approach to management?

- a. Christine Letts
- b. Bill Shore

- c. Robert Herman
- *d. Helmut Anheier

Answer Location: A Distinct Profession

Learning Objective: 1-4

Cognitive Domain: Knowledge

Question Type: MC

26. Who was the first individual to suggest that management be a distinct field of study with its own literature?

- a. Bill Shore
- b. Christine Letts
- *c. Henry Towne
- d. Helmut Anheier

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-5

Cognitive Domain: Knowledge

Question Type: MC

27. 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

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: MC

28. Bill identified an opportunity to meet the needs of young mothers in a new way. He applied an innovative 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

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-4

Cognitive Domain: Comprehension

Question Type: MC

29. Capital markets would provide nonprofit organizations funding based on:

- a. the number of new clients recruited.
- b. capacity.
- c. sustainability.

*d. rationality.

Answer Location: Toward a Balanced Approach

Learning Objective: 1-4

Cognitive Domain: Knowledge

Question Type: MC

30. Which authors suggest that it is time for nonprofit organizations to 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

Answer Location: A Revolution in Management

Learning Objective: 1-5

Cognitive Domain: Knowledge

Question Type: MC

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

*a. True

b. False

Answer Location: A Revolution in Management

Learning Objective: 1-1

Cognitive Domain: Knowledge

Question Type: TF

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

*a. True

b. False

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Knowledge

Question Type: TF

33. One of the sources for nonprofit management literature comes from academics at colleges and universities.

*a. True

b. False

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: TF

34. The perception that nonprofit organizations are less well-managed than businesses is

_____.

a. True

*b. False

Answer Location: Chapter Summary

Learning Objective: 1-1

Cognitive Domain: Comprehension

Question Type: TF

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

*a. True

b. False

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: TF

36. Most small businesses fail within the first two years of business.

a. True

*b. False

Answer Location: Proceeding with Realism and Pride

Learning Objective: 1-1

Cognitive Domain: Knowledge

Question Type: TF

37. Most nonprofits receive revenue from government funding only.

a. True

*b. False

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Comprehension

Question Type: TF

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

*a. True

b. False

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Knowledge

Question Type: TF

39. A recent shift in thinking about nonprofits has focused more on the capacity and sustainability of the organization as opposed to its programs and services.

*a. True

b. False

Answer Location: A Revolution in Management

Learning Objective: 1-4

Cognitive Domain: Knowledge

Question Type: TF

40. Compare and contrast the nonprofit management from business management.

Ans: Varies

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Analysis

Question Type: ESS

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

Ans: Varies

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Application

Question Type: ESS

42. Determine which type of organization—a business or a nonprofit— where success is more difficult to come by? Why?

Ans: Varies

Answer Location: A Distinct Profession

Learning Objective: 1-1

Cognitive Domain: Application

Question Type: ESS

43. 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

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-2

Cognitive Domain: Analysis

Question Type: ESS

44. Interpret the two primary perspectives reflected in the contemporary nonprofit management literature.

Ans: Varies

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-3

Cognitive Domain: Analysis

Question Type: ESS

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

Ans: Varies

Answer Location: A Revolution in Management

Learning Objective: 1-1

Cognitive Domain: Application

Question Type: ESS

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

Ans: Varies

Answer Location: A Revolution in Management

Learning Objective: 1-1

Cognitive Domain: Analysis

Question Type: ESS

47. Identify perspectives and agendas that might be found in a nonprofit organization and explore how they may impact the job of the CEO.

Ans: Varies

Answer Location: A Distinct Profession

Learning Objective: 1-4

Cognitive Domain: Analysis

Question Type: ESS

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

Ans: Varies

Answer Location: Nonprofit Management as a Field of Study

Learning Objective: 1-4

Cognitive Domain: Analysis

Question Type: ESS