

Chapter 23—Barbershop Management

MULTIPLE CHOICE

1. A(n) ____ is typically someone who rents a chair in a barbershop or salon.
 - a. independent contractor
 - b. part-time employee
 - c. full-time employee
 - d. salaried worker
2. The tenant is responsible for accounting in a ____ arrangement.
 - a. contractor
 - b. employee
 - c. booth rental
 - d. part-time
3. Advantages of a booth rental arrangement include ____.
 - a. low initial expenses
 - b. healthcare benefits
 - c. paid holidays and vacations
 - d. being one's own boss
4. The responsibilities of ____ include daily operations.
 - a. the receptionist
 - b. business management
 - c. an apprentice
 - d. a salaried employee
5. The owner receives all profits in a ____.
 - a. publicly held company
 - b. limited liability company
 - c. partnership
 - d. sole proprietorship
6. A silent partner looks for a financial return on his or her investment in a business ____.
 - a. but does not take an active part in daily operations
 - b. and actively manages the business
 - c. and participates in all decisions
 - d. and is also solely responsible for all losses
7. In a corporation, stockholders ____.
 - a. are legally responsible for all business losses
 - b. participate in day-to-day decision making
 - c. cannot lose more than their original investment
 - d. None of the answers are correct.
8. A(n) ____ barbershop is one that is in operation at the time it is put on the market for sale and has a solid, repeat clientele base.
 - a. retiring
 - b. poorly located
 - c. established
 - d. sole proprietor
9. A purchase agreement should include a statement that ____.
 - a. prohibits the seller from competing with the new owner
 - b. entitles the buyer to free advice from the seller
 - c. allows the seller to set up a competing shop across the street
 - d. None of the answers are correct.
10. The features associated with a good location include ____.
 - a. good visibility
 - b. direct competition nearby
 - c. scenery
 - d. proximity to residential neighborhoods

11. A lease sets forth the rights and obligations of the ____ and the barbershop owner.
 - a. independent contractor
 - b. seller
 - c. employee
 - d. landlord

12. A business plan helps a potential business owner ____ and provides a blueprint for future growth.
 - a. avoid competition with a previous owner
 - b. obtain financing
 - c. hire employees
 - d. increase sales

13. Working capital for a new business should be enough to cover ____ for at least one year.
 - a. rent
 - b. wages
 - c. monthly expenditures
 - d. All answers are correct.

14. Unemployment insurance is governed by _____.
 - a. federal law
 - b. state law
 - c. ethics
 - d. state barber boards

15. State laws cover _____.
 - a. all income tax laws
 - b. barbershop rates
 - c. sales taxes
 - d. unemployment insurance

16. Barbershop design should include all of the following except _____.
 - a. an attractive and comfortable waiting area
 - b. bright colors
 - c. sufficient electrical outlets
 - d. adequate storage areas

17. What type of advertising would not be effective?
 - a. monthly ads in a local newspaper
 - b. one-time radio ads
 - c. daily mention on a radio show
 - d. None of the answers are correct.

18. Factors that may contribute to business failure include _____.
 - a. choosing a location near other businesses
 - b. high operational costs
 - c. overqualified personnel
 - d. too much initial capital

19. Income is money generated from _____.
 - a. services
 - b. retail sales
 - c. services and retail sales
 - d. advertising

20. ____ is total income less total expenses.
 - a. Gross income
 - b. Gross profit
 - c. Net income
 - d. Net profit

21. An operating budget helps to keep ____ expenditures on track.
 - a. monthly
 - b. yearly
 - c. monthly and yearly
 - d. None of the answers are correct.

22. ____ should be kept for longer than one year.
 - a. Canceled checks
 - b. Sales slips
 - c. Petty cash books
 - d. Appointment books

23. All of the following documents should be kept for seven years except ____.
- a. canceled checks
 - b. yearly records
 - c. payroll records
 - d. petty cash books
24. Guidelines for managing personnel effectively include ____.
- a. not providing guidance to employees
 - b. giving feedback in public
 - c. double standards concerning rules
 - d. sharing information
25. The reception desk is the site for ____.
- a. client consultations
 - b. financial transactions
 - c. hair analysis
 - d. scalp analysis
26. When booking appointments over the phone, ____.
- a. be up-front about costs
 - b. do not disclose service costs
 - c. try to sell the most expensive services
 - d. refer the client to a more experienced barber for all details
27. When handling a client complaint over the telephone, ____.
- a. connect the client directly to the barber who made the mistake
 - b. express thanks that the client called this matter to your attention
 - c. do not apologize as you probably did nothing wrong
 - d. None of the answers are correct.
28. When selling products in the barbershop, ____.
- a. sell only the lowest-cost items
 - b. only recommend the products you use yourself
 - c. make sure the client needs the product
 - d. threaten not to cut the client's hair if he does not buy it
29. When selling ____, tactfully suggest changes that will keep your clients current with modern trends.
- a. facials
 - b. new cuts and styles
 - c. shampoo services
 - d. scalp treatments