Marketing Ch. 34 Key Concepts KEY Name:\_\_\_\_\_\_\_\_\_\_­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Hour\_\_\_\_

1. **Explain** why changing lifestyles pose an economic risk for a business.

Changing lifestyles are a risk because if businesses fail to adapt goods and services to meet these changing interests and needs, they probably will not survive due to drops in sales.

2. **List** three examples of natural risks.

Examples may include floods, tornadoes, hurricanes, fires, lightning, droughts, and earthquakes.

3. **Identify** the causes of human risks for a business.

Causes for human risks include employee dishonesty, errors, mistakes, omissions, and the unpredictability of customers or the workplace itself.

**1. Identify** the strategies used for risk prevention and control.

Strategies used for risk prevention and control include screening and training employees, providing safe conditions and sufficient safety instruction, preventing external theft, and deterring employee theft.

2. **Explain** the purpose of an insurance policy.

The purpose of an insurance policy is to transfer risk from the business to an insurance company.

3. **List** three different ways that a business can transfer risks.

Three different ways a business can transfer risks are by purchasing insurance, promoting product and service warranties, and transferring risk through business ownership.