CHAPTER 1

Negotiation: *The Mind and Heart*

**MULTIPLE-CHOICE QUESTIONS**

1. Negotiation is
   A. a contest of wills between opposing parties
   B. an interpersonal decision-making process necessary whenever we cannot achieve our objectives single-handedly
   C. any buyer-seller transaction in which a good or service is exchanged
   D. the process of compromise so as to avoid conflict and reach agreement

2. Along with the dynamic nature of business, interdependence, globalization, and information technology, what is the fifth key reason for the importance of negotiation skills?
   A. profit, meaning that people seek to maximize their earnings
   B. antagonism, meaning that people are increasingly irritated by others
   C. Economic forces, meaning that people need to know how to operate in uncertain environments
   D. alternatives, meaning that people are not very creative unless they have to be to find a way out

3. The interdependence within organizations implies that people need to know how to
   A. integrate their interests and work together
   B. have similar incentive structures
   C. be experts in competitive environments
   D. develop different norms of communication

4. Most negotiators
   A. continually improve their performance
   B. realize that they are in perfect agreement
   C. leave money on the table
   D. reach “win-win” outcomes

5. “Lose-lose” negotiation occurs when negotiators
   A. make too-large concessions
   B. fail to recognize and exploit opportunities for mutual gain
   C. reject terms offered by the counterparty
   D. feel obligated to reach agreement
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6. When a negotiator rejects a proposal that is demonstrably better than any other option available this is called
   A. the agreement bias
   B. the winner’s curse
   C. walking away from the table or hubris
   D. settling for too little

7. According to Nobel Laureate Herb Simon, *satisficing* is
   A. helping other people
   B. the synonym of *optimizing*
   C. settling for less than could have
   D. setting high aspirations

8. All of the following are myths that negotiators often hold, except:
   A. whatever is good for one party must be bad for the counterparty
   B. negotiator needs to be either tough or soft
   C. good negotiators are born
   D. good negotiators do not rely on intuition

9. Negotiation is a mixed-motive enterprise, such that parties
   A. manage both economic and psychological dimensions
   B. have incentives to cooperate as well as compete
   C. use both deliberate thought and intuition
   D. balance rewards and costs

10. Being a successful negotiator depends on
    A. “outsmarting” the counterparty
    B. the counterparty’s lack of preparedness
    C. experiential learning, feedback, and learning new skills
    D. always letting the other party tip their hand first
Discussion Questions—Answer all five questions

1. What are the key reasons why effective negotiation skills are increasingly important in the business world?

2. What are the “traps” of negotiation?

3. What are some of the primary reasons why many people are ineffective negotiators?

4. What are the most prevalent myths about negotiation, and how do these myths hamper people’s ability to learn effective negotiation skills?

5. What is the fraternal twin model of negotiation, and why does it contribute to more successful outcomes in negotiation?