



# SAMPLE EXAM

## MARKETING CAREER CLUSTER

### THE MARKETING CAREER CLUSTER EXAM IS USED FOR THE FOLLOWING EVENTS:

ADVERTISING CAMPAIGN **ADC**

APPAREL AND ACCESSORIES MARKETING SERIES **AAM**

AUTOMOTIVE SERVICES MARKETING SERIES **ASM**

BUSINESS SERVICES MARKETING SERIES **BSM**

BUYING AND MERCHANDISING TEAM DECISION MAKING **BTDM**

FASHION MERCHANDISING PROMOTION PLAN **FMP**

FOOD MARKETING SERIES **FMS**

MARKETING COMMUNICATIONS SERIES **MCS**

MARKETING MANAGEMENT TEAM DECISION MAKING **MTDM**

PROFESSIONAL SELLING **PSE**

RETAIL MERCHANDISING SERIES **RMS**

SPORTS AND ENTERTAINMENT MARKETING SERIES **SEM**

SPORTS AND ENTERTAINMENT MARKETING TEAM DECISION MAKING **STDM**

SPORTS AND ENTERTAINMENT PROMOTION PLAN **SEPP**

These test questions were developed by the MBA Research Center. Items have been randomly selected from the MBA Research Center's Test-Item Bank and represent a variety of instructional areas. Performance indicators for these test questions are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided.

Copyright © 2016 by MBA Research and Curriculum Center®, Columbus, Ohio. Each individual test item contained herein is the exclusive property of MBA Research Center. Items are licensed only for use as configured within this exam, in its entirety. Use of individual items for any purpose other than as specifically authorized in writing by MBA Research Center is prohibited.

Posted online July 2016 by DECA Inc.

1. One business promising to do something for another business in return for receiving compensation is an example of a
  - A. contract.
  - B. benefit.
  - C. treaty.
  - D. enterprise.
  
2. When an agent legally acts in the best interests of his/her client, the agent is establishing a(n) \_\_\_\_\_ relationship.
  - A. authoritative
  - B. fiduciary
  - C. principal
  - D. legislative
  
3. What do business owners consider when they select a business ownership structure?
  - A. Product versatility, advertising strategies, and personal circumstances
  - B. Product versatility, financial needs, and advertising strategies
  - C. Personal circumstances, type of business, and product mix
  - D. Personal circumstances, financial needs, and the type of business
  
4. When businesses want to make their products available to customers but do not want to over-distribute their goods and services, they are seeking
  - A. exclusive marketing channels.
  - B. ideal market exposure.
  - C. direct distribution capabilities.
  - D. intense segment coverage.
  
5. Cindy's lemonade stand sells lemonade to customers. The route that the lemonade is taking from the producer to the final consumer is
  - A. roundabout.
  - B. indirect.
  - C. direct.
  - D. intermediary.
  
6. Which of the following often makes it difficult for small manufacturers that have limited budgets to receive an equal opportunity to distribute their new products:
  - A. Gray marketing
  - B. Slotting allowances
  - C. Channel strategies
  - D. Targeted advertising
  
7. A manufacturer that decides to sell directly to large retailers rather than through wholesalers might create \_\_\_\_\_ conflict within its distribution channel.
  - A. formal
  - B. horizontal
  - C. vertical
  - D. conventional

8. The office photocopier is jammed again! Fortunately, there is an instruction manual to guide you through the process of removing the jammed paper. What is the best way to use the manual to clear the photocopier?
- A. Read the entire manual in sequential order and then perform all of the steps in reverse order to remove the jammed paper.
  - B. Read step one and then perform step one. Repeat this process in sequential order until all of the steps are completed and you have removed the paper.
  - C. Briefly skim the manual in reverse order and then follow the steps in sequential order to remove the jammed paper.
  - D. Perform the first step, and then verify that you have performed it correctly in the manual. Repeat this process in sequential order until all the steps are completed.
9. Asking questions is important because it
- A. helps you become a passive participant in the conversation.
  - B. gives you a chance to voice your opinion.
  - C. can clear up misunderstandings.
  - D. helps your brain process speech more quickly.
10. Your supervisor has asked you to prepare a marketing status report for each of the company's six regional offices. The most appropriate way to organize the information is
- A. by site location.
  - B. by sales function.
  - C. in chronological order.
  - D. in reverse sequence.
11. What does an enclosure notation at the bottom of a business letter signify?
- A. Something is being sent with the letter.
  - B. Copies of the letter were sent to others.
  - C. The sender wishes a reply.
  - D. The sender prepared the letter.
12. An effective executive summary
- A. is written for people who won't read the whole document.
  - B. includes every point from the business report.
  - C. uses technical terminology to show the writer's expertise.
  - D. features complex compound sentences.
13. A memo on the bulletin board from a supervisor to staff members is an example of \_\_\_\_\_ communication.
- A. downward
  - B. formal
  - C. upward
  - D. horizontal
14. When the meeting leader asked the group participants if they had any suggestions for the new product catalog, Lily pulled out a list of notes that she had compiled and talked for the remaining 20 minutes of an hour-long meeting. In this situation, Lily
- A. provided positive feedback.
  - B. monopolized the discussion.
  - C. followed parliamentary procedure.
  - D. expressed her opinions clearly.

15. Thomas does not know the answer to Mr. O'Malley's question about a complex product. Which of the following is the best way for Thomas to respond to Mr. O'Malley's inquiry:
- A. "I'll need to read the product manual before I can answer your question, Mr. O'Malley. I'll get back to you next week."
  - B. "Let me give you the manufacturer's website address. The information is probably available on the product-specifications page."
  - C. "I'm not sure, Mr. O'Malley. My coworker, Reggie, knows a lot about this model. If you can wait a moment, I will have him speak with you."
  - D. "I don't know. We do have a customer who just purchased this model. I'll get Mrs. Thompson's telephone number for you."
16. Negative word-of-mouth advertising due to unresolved customer complaints can cost a business its
- A. facilities.
  - B. employees.
  - C. reputation.
  - D. licenses.
17. How can a business build its customers' trust and communicate its commitment to ethical practices?
- A. Develop liberal business policies
  - B. Publish its confidentiality statement
  - C. Hire employees who have a positive attitude
  - D. Post its earnings on its website
18. An example of a natural resource is
- A. an electrician.
  - B. physical ability.
  - C. iron ore.
  - D. office equipment.
19. Marcy is ready to buy a new computer, and she has saved up enough money to buy the model she wants. Which of the following describes the quantity that Marcy is prepared to buy:
- A. Supply
  - B. Elasticity
  - C. Demand
  - D. Market price
20. Businesses are being socially responsible to their customers when they
- A. contribute to community causes.
  - B. provide safe working environments.
  - C. offer employees job training.
  - D. test the safety of their products.
21. One of the freedoms provided to individuals by the private enterprise system is the freedom to choose
- A. which taxes they will pay.
  - B. how their employers pay them.
  - C. where they will work.
  - D. which laws they will obey.
22. Operating expenses are defined as the
- A. start-up expenses of a business.
  - B. salaries paid to managers.
  - C. cost of goods sold.
  - D. costs of running a business.

23. How does increased business productivity benefit consumers?
- A. More goods and services become available, so prices go down.
  - B. More goods and services become available, so prices go up.
  - C. Costs of labor and prices increase, so inflation goes up.
  - D. The gross domestic product goes down, so inflation goes up.
24. Long-term unemployment may affect an individual by
- A. improving mental health.
  - B. eroding his/her skills.
  - C. increasing protectionism.
  - D. building savings.
25. During periods of economic expansion, businesses are likely to
- A. increase their production.
  - B. reduce their profits.
  - C. stop hiring workers.
  - D. benefit from high interest rates.
26. Which of the following is a reason to avoid drawing distinctions between people:
- A. Certain people don't deserve respect.
  - B. Discrimination is illegal.
  - C. Some people aren't "normal."
  - D. Everyone is unique.
27. People with a positive attitude are open-minded, which helps them to
- A. develop patience.
  - B. remain cheerful.
  - C. learn new skills.
  - D. be intolerant.
28. Ideally, in business, feedback should be
- A. all positive.
  - B. all negative.
  - C. positive and negative.
  - D. avoided if possible.
29. The main reason many individuals resist change is
- A. decisiveness.
  - B. fear.
  - C. discipline.
  - D. self-confidence.
30. Molly offers to take her new coworker out to lunch. She remembers what it was like when she was a new employee two years ago, and she wants to help her new coworker feel comfortable and welcome. What trait is Molly showing towards her new coworker?
- A. Tact
  - B. Empathy
  - C. Sympathy
  - D. Judgment

31. When Cynthia, a credit analyst with Houghton Software, heard rumors of a company layoff, she asked her manager Todd if the rumors were true and if her job was in jeopardy. Although Todd knew that some lay-offs were coming, he told Cynthia not to worry about things. The following week, Cynthia's job was eliminated. In this situation, ethical issues regarding company information occurred because
- Todd misled Cynthia.
  - Cynthia asked irrelevant questions.
  - Todd was completely honest with Cynthia.
  - Cynthia started the rumors.
32. When trying to persuade others, it is often helpful to use stories and anecdotes because they
- exaggerate the benefits.
  - make people feel comfortable.
  - add energy to your explanation.
  - reinforce your message.
33. "I can't agree to your terms until I discuss the situation with my manager." This is an example of the \_\_\_\_\_ negotiating strategy.
- limited authority
  - good cop/bad cop
  - deadline-driven
  - bargaining
34. When Trish learned that her company was switching to a new computer-software program, she accepted the change and worked overtime to become familiar with the new program. Trish exhibited \_\_\_\_\_ behavior.
- adaptable
  - stubborn
  - passive
  - irresponsible
35. Mike is thinking about expanding his manufacturing business internationally. Which of the following is a risk he might encounter:
- Dealing with cultural and language barriers
  - Encountering new markets
  - Dealing with fewer government regulations
  - Saving money on taxes
36. About a week before her 16<sup>th</sup> birthday, Kimberly got a phone call from her grandparents. They explained that they wanted to give her \$1,000 to put toward college expenses as a birthday present, but they weren't sure if she wanted the money now or in two years, when she would be starting college. Kimberly decided to get the \$1,000 from her grandparents right away and put it into an interest-bearing savings account for two years. Kimberly based her decision on
- the capital gains potential.
  - the concept of absolute advantage.
  - the time value of money.
  - foreign exchange rate.
37. When the Silvers purchased their new car, the dealership representative sold their contract to another company in exchange for cash. To what type of business would the dealership have sold the Silvers' contract?
- Commercial bank
  - Savings and loan association
  - Finance company
  - Credit union

38. A good way to prioritize your financial goals is to
- rank every goal in numerical order.
  - rank goals according to what needs to be done first.
  - assign each goal to a general category.
  - recognize that all the goals are equally important.
39. Caitlin has three credit cards. She receives her credit card statement for one of the cards and has to decide how to pay the \$500 she spent with that card. To pay the least for use of the credit, she should pay with \_\_\_\_\_ and make the \_\_\_\_\_ payment.
- cash; full
  - cash; minimum
  - another card; full
  - another card; minimum
40. Kendra 's financial goal is to build wealth over time by making diversified investments. Which of the following financial services providers is most likely to help Kendra achieve her goal:
- Financial-auditing firm
  - Mortgage company
  - Investment bank
  - Asset-management firm
41. One of the basic risks in marketing is the possibility of \_\_\_\_\_ loss.
- impersonal
  - political
  - financial
  - promotional
42. What technology is the most effective way to interview a job applicant who is located 1,500 miles away from the company's corporate office?
- Text messaging
  - Videoconferencing
  - Web-based email
  - Intranet
43. To protect the integrity of the marketing information they gather, businesses should avoid
- working with a publisher.
  - paying for the data.
  - surveying a lot of people.
  - manipulating the research.
44. What is the device that a business's employees use to obtain information about customers who access the business's website?
- Bookmarks
  - Browsers
  - Spiders
  - Cookies
45. Which of the following is essential to all marketing research:
- Secondary data
  - Primary data
  - Frequency
  - Accuracy

46. Which of the following is a true statement about marketing-research studies:
- A. Lower level employees should not be involved in marketing-research studies.
  - B. Marketing-research studies should be conducted once per year.
  - C. Each marketing-research study is unique.
  - D. Marketing-research studies are difficult to conduct.
47. Which of the following is true about a survey-sampling plan:
- A. Tends to have extremely low error rates
  - B. Eliminates respondent bias
  - C. Is more reliable than observation
  - D. Represents a larger group
48. Which of the following is an example of quantitative data:
- A. "Tara is a great tutor."
  - B. "Tara is one of the smartest kids in school."
  - C. "I heard Tara is applying to Harvard!"
  - D. "Tara graduated first in her class."
49. What device helps to ensure that direct-observation research is collected in a neutral way?
- A. Fax machine
  - B. Global-orientation system
  - C. Video camera
  - D. DVD player
50. Out of 25 survey respondents, 16 people rate a product's durability at five on a rating scale ranging from one to seven. What measure of central tendency does the number five represent?
- A. Disbursement
  - B. Median
  - C. Mode
  - D. Deviation
51. Which of the following is an example of a response error:
- A. Lydia provides her opinion about a new soft drink during a focus group.
  - B. Jack does not provide his telephone number when he fills out an online survey.
  - C. Rosanna checks two response options for one question on a paper questionnaire.
  - D. Jack pauses for a moment before he answers the interviewer's question.
52. Marketing has an effect on the quality of life and general living conditions of consumers, referred to as their
- A. value system.
  - B. buying power.
  - C. buying habits.
  - D. standard of living.
53. Increasing membership by 25% during the next year might be one of the \_\_\_\_\_ of a health club.
- A. principles
  - B. strategies
  - C. tactics
  - D. goals

54. Maria is developing her marketing plan for her small, but growing, business. She notes that one of the advantages of her company is that her staff is highly creative and flexible; however, a primary limitation that she faces is that she does not have sufficient financial resources to expand her product line. In which component of the marketing plan would Maria place this information?
- Financial statement
  - Promotional plan
  - Marketing mix
  - SWOT analysis
55. Which of the following is one element of a situation analysis:
- Marketing planning
  - Environmental scanning
  - Sales positioning
  - Organizational testing
56. One way for businesses to obtain needed information efficiently is to
- read a book.
  - schedule an interview.
  - access a database.
  - contact a competitor.
57. Using a computer-generated slideshow to highlight product information would be most appropriate in which of the following business situations:
- Union contract negotiations
  - Project-team status meeting
  - Employee performance review
  - Formal sales presentation
58. Information usually comes in either physical form or \_\_\_\_\_ form.
- electronic
  - book
  - note card
  - verbal
59. After The IWP Company receives online orders from its customers, it quickly replies to all of its customers with the following email message: "Thank you for your order. It will be processed within the next 48 hours." The email function that generates these types of messages is called a(n)
- instant message.
  - autoresponder.
  - mechanical reaction.
  - timed reply.
60. What type of software program do businesses use to create text documents?
- Communications
  - Web-page editor
  - Word processing
  - Presentation
61. Why is it important for hospitality and tourism businesses to be aware of, and react to, trends and changes in the marketplace?
- To identify resources
  - To increase advertising
  - To hire personnel
  - To remain competitive

62. Which of the following would be done first in an environmental scan:
- A. Identifying and analyzing important trends and issues
  - B. Carrying out scanning activities
  - C. Selecting trends and issues to act on
  - D. Identifying participants and responsibilities
63. The difference between service providers' and manufacturers' operations activities is that service providers produce \_\_\_\_\_ outputs.
- A. expensive
  - B. intangible
  - C. useful
  - D. tangible
64. What should an employee do when s/he accidentally spills coffee in the tile hallway?
- A. Tell others about the spill
  - B. Wait for the floor to dry
  - C. Wipe it up immediately
  - D. Leave it for the cleaning crew
65. The most important reason why workplace accidents which do not result in injuries should be reported to supervisors is because
- A. the next accident could result in an injury.
  - B. this is required by state law.
  - C. the report prevents future liability.
  - D. this is an OSHA requirement.
66. A business can protect its confidential computer information from unauthorized users by
- A. developing Internet message boards.
  - B. encrypting computer files.
  - C. conducting annual virus scans.
  - D. classifying business data.
67. Which of the following is a purpose of the competitive bidding process:
- A. To attract product champions
  - B. To increase competition for products
  - C. To obtain lower prices from bidders
  - D. To limit the number of vendors to pick from
68. Which of the following expenses should Charlene categorize as a fixed cost:
- A. Cost of goods sold
  - B. Delivery charges
  - C. Rent
  - D. Commissions
69. Employees who never take company supplies or equipment, such as pens or tools, for their own use help the business to
- A. control expenses.
  - B. increase profits.
  - C. control shoplifting.
  - D. reduce external theft.
70. Which of the following do businesses often expect employees to make on their own:
- A. Operating plans
  - B. Policy changes
  - C. Routine decisions
  - D. Personnel choices

71. Beau is really stressed out because he agreed to take on three new clients that he really didn't have room for. Which time-management principle does he need to learn?
- A. Divide large projects into smaller parts
  - B. Get enough sleep
  - C. Focus on goals, not on tasks
  - D. Don't bite off more than you can chew
72. What type of information is it acceptable to leave out of a job application?
- A. Contact information
  - B. Educational background
  - C. Salary requirements
  - D. Professional experience
73. Why will it benefit you to learn as much as possible about a prospective employer before you go for a job interview?
- A. It ensures that you'll be considered for the job.
  - B. It shows that you do a lot of reading.
  - C. It prepares you to ask good questions.
  - D. It gives you something to discuss during the interview.
74. Many businesspeople are required to take continuing education classes to
- A. maintain their professional certifications.
  - B. improve their standard of living.
  - C. demonstrate their emotional intelligence.
  - D. supplement their existing income.
75. By reading trade journals, business professionals can learn about
- A. internal policies.
  - B. corporate changes.
  - C. industry trends.
  - D. organizational sales performance.
76. What are salespeople expected to be able to do in order to sell goods and services to customers?
- A. Control expenses
  - B. Arrange displays
  - C. Answer questions
  - D. Develop brochures
77. A retailer that overcharges customers for small items at the point of purchase may be engaging in the unethical practice of
- A. retail price maintenance.
  - B. predatory pricing.
  - C. scanner fraud.
  - D. price fixing.
78. Computers have given marketers the ability to calculate pricing functions such as break-even points and elasticity of demand by using \_\_\_\_\_ programs.
- A. presentation
  - B. word-processing
  - C. spreadsheet
  - D. communication

79. Which of the following is a decision a company might make during the decline stage of the product life cycle:
- A. How to increase awareness of the product
  - B. Whether to change the product
  - C. How to fend off the competition
  - D. What production schedule to follow
80. As a result of ongoing product updates and changes, businesses must address ethical issues associated with
- A. international markets.
  - B. planned obsolescence.
  - C. demographics.
  - D. taxation.
81. Real market opportunity occurs when
- A. supply exceeds demand.
  - B. entrepreneurs brainstorm ideas.
  - C. an identified want exists.
  - D. a good or service can be produced efficiently.
82. Which of the following departments in many businesses is responsible for generating product ideas:
- A. Sales and marketing
  - B. Information technology
  - C. Executive management
  - D. Research and development
83. How food products can be used generally is determined by their
- A. traits.
  - B. grades.
  - C. labels.
  - D. brands.
84. What can a pharmaceutical manufacturer do to help ensure that its pain reliever and allergy medications are safe for consumer use?
- A. Include vague product labels
  - B. Price the products competitively
  - C. Use protective packaging
  - D. Display a disclaimer on the package
85. The assortment of merchandise that a firm sells is called its product
- A. demand.
  - B. mix.
  - C. depth.
  - D. classification.
86. Ensuring that customers have the correct perception of a product is one of the goals of product
- A. development.
  - B. positioning.
  - C. management.
  - D. screening.
87. When a customer is willing to purchase only one specific brand, this is referred to as brand
- A. strategy.
  - B. recognition.
  - C. preference.
  - D. insistence.

88. For most businesses, the ultimate goal of using promotion is to
- control consumer demand.
  - introduce new products.
  - sell goods or services.
  - get people into the business.
89. Which of the following is a use of product promotion:
- Informing customers about product features
  - Highlighting social or environmental issues
  - Recruiting new employees
  - Changing attitudes toward the company
90. One reason advertising prescription drugs online might be considered an ethical issue is because the advertisements might persuade customers to
- use drugs they do not need.
  - obtain drugs from the manufacturer.
  - buy drugs they cannot afford.
  - order drugs that are inexpensive.
91. How has the Internet enhanced a business's ability to promote its products?
- Consumers can access the business's website at any time.
  - The business is able to update online product information less frequently.
  - Consumers can choose to disregard or ignore online advertising.
  - The business is able to sell higher volumes of goods or services quickly.
92. An advantage of newspaper advertising over television and radio promotion is more
- consumer interest in the ads.
  - effective use of color.
  - sensory appeal.
  - prestige from being local.
93. Why is it important to coordinate the elements in advertisements?
- To strengthen the theme
  - To analyze the objective
  - To simplify the message
  - To locate the audience
94. The component of the promotional plan that determines the funds available for promotion is the promotional
- budget.
  - method.
  - mix.
  - objectives.
95. Duane makes sure that as he is interacting with customers, he is also actively listening so that he can better respond to their questions and objections. Which characteristic of a successful salesperson does Duane display?
- Persistence and patience
  - Ethics
  - Communication skills
  - Education and training
96. Which of the following is an example of how building a clientele benefits the business:
- Increased selling costs
  - Increased sales volume
  - Increased knowledge
  - Personal satisfaction

97. Salespeople who withhold negative product information from customers might be guilty of
- A. negligence.
  - B. exaggeration.
  - C. guessing.
  - D. reciprocity.
98. A pharmaceutical company fails to warn the public about the possible side effects associated with a new medication. This is an example of a business violating selling regulations through
- A. exclusivity.
  - B. exaggeration.
  - C. branding.
  - D. misrepresentation.
99. What type of product information might a salesperson obtain from reading a business's promotional materials?
- A. Aptitudes
  - B. Demographics
  - C. Objectives
  - D. Characteristics
100. A manager evaluates the production output of a department by checking it against the production goals for that time period. This is an example of the \_\_\_\_\_ function of management.
- A. controlling
  - B. directing
  - C. organizing
  - D. planning

1. A  
Contract. Contracts are agreements among two or more parties stating that one party is to do something in return for something provided by another party. If one business promises to do something for another business in return for receiving compensation, the two businesses have a contract. Then, the businesses are obligated to fulfill their part of the contract. In most cases, contracts benefit both parties, although promising to do something in return for receiving compensation is not necessarily a benefit. Treaties are trade agreements among two or more countries. An enterprise is another term for a business.  
SOURCE: BL:002  
SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3<sup>rd</sup> ed.) [pp. 211-219]. Mason, OH: Thomson/South-Western.
2. B  
Fiduciary. An agent is someone who acts on the behalf of another party. The agent often negotiates contracts and handles legal issues for another person with that person's consent. The agent who shows that s/he is loyal, trustworthy, and acting in the best interest of his/her client (principal) is fostering a fiduciary relationship. Authoritative relationships are based on a particular level of control. Principal is a legal term that describes the client. Legislative processes involve the procedures in which people or governments establish laws.  
SOURCE: BL:072  
SOURCE: Beatty, J.F., & Samuelson, S.S. (2008). *Essentials of business law* (3<sup>rd</sup> ed.) [p. 625]. Mason, OH: Thomson/South-Western.
3. D  
Personal circumstances, financial needs, and the type of business. Because each business owner's situation is unique, the owner must consider the type of business being operated, the amount of capital that is needed to start the business, and the owner's personal circumstances. For example, an independently wealthy, single person who starts a consulting business has different needs than a chef who has little capital and wants to open a full-service restaurant. Product versatility, advertising strategies, and product mix are not generally considered when determining the appropriate business ownership structure.  
SOURCE: BL:003  
SOURCE: BL LAP 1—Own It Your Way (Types of Business Ownership)
4. B  
Ideal market exposure. When a business takes steps to ensure that a product is available to the target market without over-distributing the product, it is seeking ideal market exposure. If product supply is higher than demand, the business loses money on the unsold products. Therefore, businesses strive to obtain ideal market exposure to satisfy demand but not have a surplus of goods. Exclusive and intensive are distribution patterns. The type of distribution pattern that a business uses depends on its ideal market exposure. Direct distribution is a type of distribution channel in which goods and services move directly from the producer to the consumer or industrial user.  
SOURCE: CM:001  
SOURCE: CM LAP 2—Chart Your Channels (Channel Management)
5. C  
Direct. Direct is a channel of distribution in which goods and services move directly from the producer to the consumer. Indirect is a channel of distribution in which goods and services move from the producer to the channel members and then to consumers or industrial users. Roundabout is not a method of distribution. Intermediaries are channel members who perform the activities needed in getting a good or service from those who produce it to those who consume it.  
SOURCE: CM:003  
SOURCE: CM LAP 3—Channel It (Channels of Distribution)

6. B

Slotting allowances. A slotting allowance is a cash premium that manufacturers pay to businesses to cover the costs involved in carrying a new product. In many cases, the cash premium is substantial because there is a lot of competition among manufacturers to encourage businesses to carry their products. Often, the manufacturer that offers the largest allowance is the one that gets shelf space for its new product. This may be unethical because small manufacturers that cannot afford to pay large slotting allowances do not have an equal opportunity to distribute their products. The gray market involves buying from unauthorized distributors. Channel strategies are distribution plans. Targeted advertising involves focusing on a specific group.

SOURCE: CM:006

SOURCE: Boone, L.E., & Kurtz, D.L. (2009). *Contemporary marketing* (p. 446). Mason, OH: South-Western Cengage Learning.

7. C

Vertical. Conflict in a distribution channel occurs when there is disagreement among the various channel members. Vertical conflict occurs when there is disagreement between different levels of the same channel. An example of a vertical channel is a manufacturer selling to wholesalers who then sell to retailers. If the manufacturer decides to bypass the wholesalers and sell directly to retailers or stores, conflict may develop within that vertical channel of distribution because the wholesalers are being eliminated. Horizontal conflict occurs among businesses at the same channel level, such as between different franchisees for the same business competing in the same city. Formal and conventional are not types of channel conflict.

SOURCE: CM:008

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 396-400]. Boston: McGraw-Hill/Irwin

8. B

Read step one and then perform step one. Repeat this process in sequential order until all of the steps are completed, and you have removed the paper. When assembling or fixing equipment, it is usually easier to understand directions by reading the step, performing the step, and then moving on to the next step in the sequence. By doing so, you are less likely to hurt yourself or the machine. You are more likely to make mistakes (and more likely to hurt yourself or the machine) if you briefly skim the manual, read the manual before performing the steps, perform the steps in reverse order, or perform the step before reading the instructions.

SOURCE: CO:056

SOURCE: eHow. (1999-2015). *How to follow written instructions*. Retrieved September 3, 2015, from [http://www.ehow.com/how\\_2251998\\_follow-written-instructions.html](http://www.ehow.com/how_2251998_follow-written-instructions.html)

9. C

Can clear up misunderstandings. Asking questions can help you clarify, understand, and clear up misunderstandings. When you're attempting to listen, it's not the time to voice your opinion. By asking questions, you become an active, not passive, participant in the conversation. While asking questions is beneficial, it doesn't help your brain process speech more quickly. Your brain is actually very efficient already; it can process speech four times as fast as people can talk.

SOURCE: CO:017

SOURCE: QS LAP 1—Listening: An Active Process

10. A  
By site location. When preparing reports, you should organize the content in the way that will make the most sense to the reader. In the example, the supervisor is asking for a status report for different offices, which indicates that the supervisor will likely want to scan the information by location to quickly review the status of each office or site. Another way to organize the information might be by listing each activity (e.g., advertising, sales) with each site's status included in each activity; however, this format may be cumbersome and difficult to determine each site's status at a glance. Presenting facts in chronological order involves describing steps or historical events in the sequence in which they occur. Reverse sequence involves describing steps or historical events in the opposite order.  
SOURCE: CO:086  
SOURCE: University of Washington. (n.d.). Patterns of organization. Retrieved September 2, 2015, from <http://faculty.washington.edu/ezent/impo.htm>
11. A  
Something is being sent with the letter. The word "Enclosure" at the bottom of the page indicates that other material accompanies the letter. This lets the recipient know s/he should look for additional material and lets the sender know if the material was not enclosed. Reference initials indicate who prepared a letter. The copy notation (cc) preceding a name (or names) signifies that copies of the letter were sent to persons other than the addressee. A request for a reply is usually included within the body of the letter.  
SOURCE: CO:133  
SOURCE: Purdue Online Writing Lab. (1995-2011). *Writing the basic business letter*. Retrieved September 9, 2015, from <http://owl.english.purdue.edu/owl/resource/653/01/>
12. A  
Is written for people who won't read the whole document. The executive summary is often read by people who simply don't have time to read the entire report. That's why it's so important to make sure your executive summary is as accurate and error-free as possible. You don't need to include every point from the business report—an executive summary should only be about 1/10<sup>th</sup> the length of the original document. Focus on including only the main points. Avoid using too much technical terminology. The executive summary is often read by people who aren't experts in the field, and it needs to be easily understood by everyone. For the same reason, it's also important to avoid using complex sentences. Remember that the executive summary will often be skimmed by busy people. Help them understand your executive summary by making it as easy-to-read as possible.  
SOURCE: CO:091  
SOURCE: eHow. (2014, October 6). *How to write an executive summary*. Retrieved September 9, 2015, from [http://www.ehow.com/how\\_16566\\_write-executive-summary.html](http://www.ehow.com/how_16566_write-executive-summary.html)
13. A  
Downward. Downward communication passes information down the chain of command to employees. This is a frequently used form of communication because supervisors must often provide general information to all workers. Horizontal communication is between persons or departments on an equal level. Upward communication moves from employees up to management. Formal communication may move in any direction, but it would be in the form of a letter, report, etc., rather than a bulletin board memo.  
SOURCE: CO:014  
SOURCE: Everard, K.E., & Burrow, J.L. (2008). *Business principles and management* (12th ed.) [pp. 247-248]. Mason, OH: South-Western Cengage Learning.
14. B  
Monopolized the discussion. When participating in a staff meeting, it is important to provide information or make suggestions when appropriate. When one person dominates the discussion, others do not have an opportunity to provide their input. Because Lily spoke for a long time during the meeting, she monopolized the discussion. There isn't enough information provided to determine if Lily provided positive feedback, followed parliamentary procedure, or expressed her opinions clearly.  
SOURCE: CO:063  
SOURCE: Bovée, C.L., Thill, J.V. (2008). *Business communication today* (pp. 47-48). Upper Saddle River, NJ: Pearson Prentice Hall.

15. C  
"I'm not sure, Mr. O'Malley. My coworker, Reggie, knows a lot about this model. If you can wait a moment, I will have him speak with you." If employees do not know the answers to customers' questions, they should try to find another employee who does. This person may be a coworker, supervisor, or an individual who works in another department. To provide good customer service, Thomas should do his best to answer Mr. O'Malley's question as soon as possible. Providing the manufacturer's website address and reading the product manual at a later time are not options that provide prompt customer service. It is inappropriate to give out customers' telephone numbers to others without their permission.  
SOURCE: CR:006  
SOURCE: Arringdale, C. (2009). *Respond to customer inquiries and complaints promptly*. Retrieved September 2, 2015, from [www.hr.com/en/app/blog/2009/04/respond-to-customer-inquiries-and-complaints-promp\\_ft078ka1.html](http://www.hr.com/en/app/blog/2009/04/respond-to-customer-inquiries-and-complaints-promp_ft078ka1.html)
16. C  
Reputation. Negative word-of-mouth advertising due to unresolved customer complaints can cost a business its reputation. Once a reputation has been damaged, it is very difficult to rebuild. Customer complaints should not necessarily cost a business its employees, its facilities, or its licenses.  
SOURCE: CR:010  
SOURCE: CR LAP 10—Righting Wrongs (Handling Customer Complaints)
17. B  
Publish its confidentiality statement. A business can build its customers' trust by communicating that it will not share its customers' confidential information with third parties and that it will take measures to secure online transactions. One way to communicate this commitment is by publishing its confidentiality statement in company brochures, in email messages, and on its website. Developing liberal business policies, hiring employees who have a positive attitude and posting its earnings on its website may help build trust with customers; however, these actions do not communicate the business's commitment to adhering to its ethics.  
SOURCE: CR:017  
SOURCE: The Vanguard Group. (2014, December). *Confidentiality statement*. Retrieved September 9, 2015, from <https://institutional.vanguard.com/VGApp/iip/site/institutional/confidentialitystatement>
18. C  
Iron ore. Natural resources include those things that are provided to us by nature. Office equipment is a capital good. Capital goods are materials used in the production of other goods and services. Physical ability is an example of a labor resource. An electrician is a human resource.  
SOURCE: EC:003  
SOURCE: EC LAP 14—Be Resourceful (Economic Resources)
19. C  
Demand. In order for demand to exist, consumers must have both the desire and the ability to purchase the product. Supply is the amount of the product that sellers are willing and able to offer for sale at a specified price in a given time period. Market price is the actual price that prevails in a market at any particular moment. Elasticity is an indication of how changes in price will affect changes in the amounts demanded and supplied.  
SOURCE: EC:005  
SOURCE: EC LAP 11—It's the Law (Supply and Demand)
20. D  
Test the safety of their products. Every business has the responsibility of producing and/or offering safe, quality products. If businesses fail to be sensitive to the well-being of their product users, the businesses will probably fail. Providing safe working environments and offering job training are ways businesses can be socially responsible to their employees. Contributing to community causes demonstrates social responsibility toward the community.  
SOURCE: EC:070  
SOURCE: EC LAP 70—Business Connections (Business and Society)

21. C  
Where they will work. U.S. citizens are free to choose the kind of work they would like to do in order to make a living. They are limited by their own interests, abilities, and training. They are not, however, free to choose which taxes to pay, which laws to obey, or how their employers pay them (e.g., weekly or monthly).  
SOURCE: EC:009  
SOURCE: EC LAP 15—People Power (The Private Enterprise System)
22. D  
Costs of running a business. Operating expenses are all the costs of running a business on an everyday basis and include such expenditures as payroll, rent, and utilities. Cost of goods sold is the amount of money a business pays for the products it sells or for the raw materials from which it produces goods to sell. Start-up expenses are the costs of opening a new business. Salaries paid to managers are sometimes considered as part of operating expenses.  
SOURCE: EC:010  
SOURCE: EC LAP 2—Risk Rewarded (Factors Affecting Profit)
23. A  
More goods and services become available, so prices go down. Increased business productivity can create a greater variety of goods and services, and as more products become available, prices are likely to drop. Increased business productivity reduces inflation and increases the gross domestic product per capita.  
SOURCE: EC:013  
SOURCE: EC LAP 18—Make the Most of It (Productivity)
24. B  
Eroding his/her skills. Long-term unemployment may affect an individual by eroding his/her skills, making it even more difficult to find a job in the future. Unemployment usually does not help a person to build savings or improve her/his mental health. Increased protectionism is an effect of unemployment on the nation and the economy.  
SOURCE: EC:082  
SOURCE: EC LAP 29—Help Wanted? (Impact of Unemployment Rates)
25. A  
Increase their production. Expansion is a phase of the business cycle characterized by increased spending and borrowing, increased demand for goods and services, increased employment rates, and decreased interest rates on loans. During an expansion phase, businesses are likely to increase their production in order to meet increased consumer demand. Increased production usually results in increased profits.  
SOURCE: EC:018  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 64-67). Woodland Hills, CA: Glencoe/McGraw-Hill.
26. D  
Everyone is unique. There's no reason to draw distinctions between people because everyone is unique. There's no such thing as "normal." Everyone deserves to be treated with kindness and respect. In many cases, discrimination is illegal, but drawing distinctions between people is something that happens on a personal level and can only be controlled by ourselves.  
SOURCE: EI:021  
SOURCE: EI LAP 21—Make the Honor Role (Acting Responsibly)
27. C  
Learn new skills. People with a positive attitude are open-minded and receptive to new ideas and new ways of doing things. This makes it easier for them to learn new skills, techniques, and methods. Being open-minded does not help individuals to remain cheerful or to develop patience. Being intolerant is the result of a negative attitude.  
SOURCE: EI:019  
SOURCE: EI LAP 3—Opt for Optimism (Positive Attitude)

28. C  
Positive and negative. Too much positive feedback provides no guidance for improvement in job performance. At the same time, too much negative feedback becomes depressing and creates a poor attitude in workers. Therefore, there should be a mix of positive and negative feedback.  
SOURCE: EI:003  
SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)
29. B  
Fear. Regardless of whether the change is great or small, many people seem to fear and resist change. Any change has the potential to threaten a person's security. People who are decisive, disciplined, and self-confident may still fear change, but these traits help them to overcome their fears and make necessary changes.  
SOURCE: EI:026  
SOURCE: Quast, L. (2012, November 26). *Overcome the 5 main reasons people resist change*. Retrieved September 14, 2015, from <http://www.forbes.com/sites/lisaquast/2012/11/26/overcome-the-5-main-reasons-people-resist-change/>
30. B  
Empathy. Empathy is the ability to put yourself in another person's place or to see a situation from another person's point of view. Molly can understand how her coworker feels because she was in the same situation two years ago—that's empathy. Tact is the ability to do or say the right thing in any circumstances. When you speak tactfully, you consider your words carefully before saying them. It's important that Molly speak tactfully to her new coworker, but that's not what she's doing in this example. Sympathy is the ability to recognize another person's feelings. If Molly simply felt sorry for her coworker's situation, she would be sympathetic. However, Molly actually understands what it's like to be in her coworker's position, so she's being empathetic. Molly is not judging her new coworker—being empathetic means *not* being judgmental.  
SOURCE: EI:030  
SOURCE: EI LAP 12—Have a Heart (Showing Empathy for Others)
31. A  
Todd misled Cynthia. Although Todd may have meant well when he told Cynthia not to worry, he misled her by making Cynthia think that her job was safe. A better response may have been that he didn't have all the facts about the layoffs and did not want to speculate about Cynthia's position. This statement would have been true if Todd did not know who was going to be laid off. While Cynthia's questions put Todd in an uncomfortable position, they were relevant to the rumors. Cynthia heard about the layoff rumors—she didn't start them.  
SOURCE: EI:038  
SOURCE: Tahmincioglu, E. (2009, November 30). *Recession adds fuel to workplace gossip*. Retrieved September 9, 2015, from <http://www.msnbc.msn.com/id/34149723/ns/business-careers/t/recession-adds-fuel-workplace-gossip/>
32. D  
Reinforce your message. Use stories and anecdotes to reinforce your message with word pictures and examples that others can understand easily. If you can paint a picture in people's minds, they will be able to understand your ideas. Also, stories are interesting and easy to remember. People are often able to relate to them on a personal level. The use of appropriate body language often makes people feel comfortable. Use your voice to add energy to your explanation. You should not exaggerate the benefits.  
SOURCE: EI:012  
SOURCE: EI LAP 121—Win Them Over (Persuading Others)

33. A  
Limited authority. Limited authority is a negotiating strategy in which one person claims that s/he does not have the authority to make a decision and must consult another person who is not present during the negotiation process. Good cop/Bad cop is a negotiating strategy that involves at least two people on one side of the negotiation; of the two people, one person is reasonable and agrees with the opposing party, while the other is unreasonable and disagrees with the opposing party. The deadline-driven strategy involves one party giving the other party a time limit to take action. Bargaining is a negotiating technique that involves giving one person something s/he wants, and receiving something desired in return.  
SOURCE: EI:062  
SOURCE: EI LAP 8—Make It a Win-Win (Negotiation in Business)
34. A  
Adaptable. An adaptable person has the ability to adjust to changing conditions. To adjust to changes, a person must accept the fact that changes happen all the time under many types of circumstances. Once you accept that changes happen all the time, you learn to feel more comfortable when changes occur. In the example, Trish was adaptable because she understood that changes occur at work, and she took steps to adjust to the change by working overtime to become familiar with the new computer program. A stubborn person might resist change for a variety of reasons such as fear, contentment, or a lack of trust. Not only did Trish exhibit adaptable behavior, she exhibited assertive, responsible behavior by working to become familiar with the software.  
SOURCE: EI:006  
SOURCE: EI LAP 23—Go With the Flow (Demonstrating Adaptability)
35. A  
Dealing with cultural and language barriers. If Mike expands his business internationally, he may run into problems if he doesn't do enough research into the other country's culture. He may also have a problem if he doesn't know the other country's language. Encountering new markets would be an advantage of expanding internationally. Depending on which country he expands to, Mike could have fewer government regulations and he could save money on taxes, but these would be considered advantages.  
SOURCE: EN:041  
SOURCE: Arthur, L. (2015). *The advantages and disadvantages of international franchises*. Retrieved September 3, 2015, from <http://smallbusiness.chron.com/advantages-disadvantages-international-franchises-22488.html>
36. C  
The time value of money. Kimberly understands that the \$1,000 available to her now is worth more than the same \$1,000 two years from now. By placing the \$1,000 in a savings account now, she can earn interest on that \$1,000. So, in two years, she will have more than \$1,000 to put toward her college expenses. The absolute advantage is the advantage achieved when a nation can produce a good or service for less than another nation. Capital gains are earnings from the appreciation of a stock investment, and Kimberly is not purchasing stock with the money. The foreign exchange rate is the value of a currency in relation to another currency at a given time.  
SOURCE: FI:062  
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 15-19, 30-36]. New York: McGraw-Hill Irwin.

37. C  
Finance company. To receive cash in exchange for the Silvers' contract, the dealership dealt with a sales finance company. This is a business that purchases borrowers' contracts from sellers and receives the borrowers' payments. A credit union is a financial cooperative set up to provide savings and credit services to its members. It usually operates within a business or a labor union. A savings and loan association is a financial institution that offers savings accounts and makes loans to borrowers. Most of the loans are for real estate purchases. Commercial banks are full-service banks offering a variety of banking services, including checking and savings accounts, secured and unsecured loans, installment credit, and bank credit cards.  
SOURCE: FI:002  
SOURCE: Crawford, C. (2015). *What are the primary functions of finance companies?* Retrieved September 2, 2015, from <http://smallbusiness.chron.com/primary-functions-finance-companies-40480.html>
38. C  
Assign each goal to a general category. A good way to prioritize your financial goals is to assign each goal to a general category, such as "must do," "important but not critical," or "not so important." Ranking according to what needs to be done first and ranking every goal in numerical order are two common pitfalls. Another pitfall is ranking everything as very important or thinking that all the goals are equally important.  
SOURCE: FI:065  
SOURCE: QS LAP 31—Set Yourself Up
39. A  
Cash; full. Paying the statement in full will assure that she does not have to pay extra interest on the balance and will help improve her credit history. Paying in cash is better for her credit history's health than paying with another card, because eventually she will have to pay the money owed on the other card. Paying for one card with another can lead to a downward spiral of credit card debt.  
SOURCE: FI:071  
SOURCE: Evolve Money. (2014, August 13). *5 simple ways for college students to stay out of credit trouble*. Retrieved September 2, 2015, from [www.evolve.money.com/2014/08/13/bad-credit-college-students](http://www.evolve.money.com/2014/08/13/bad-credit-college-students)
40. D  
Asset-management firm. Asset-management firms invest their clients' money in different (diversified) securities by pooling assets. This is beneficial to investors who do not have the financial resources and expertise to obtain securities on their own. Asset-management firms typically manage mutual funds, hedge funds, and pension plans. An investment bank is a financial intermediary that underwrites securities and facilitates mergers. Mortgage companies process loans specifically designed for the purchase of real estate—land, residences, and other types of buildings. Certified Public Accounting firms perform independent financial audits for different types of businesses (e.g., public corporations).  
SOURCE: FI:075  
SOURCE: Finance Maps of the World. (2012, May 4). *Top asset management firms*. Retrieved September 9, 2015, from <http://finance.mapsofworld.com/financial-institutions/stock-brokerage/top-asset-management-firms.html>
41. C  
Financial. Financial loss, or the loss of money, is the basic risk in marketing. While it is impossible to eliminate all risk in marketing, there are several ways to reduce risk including developing effective marketing plans, information systems, financial plans, and loss-prevention plans. To the owner of a marketing business, any risk is personal rather than impersonal. Promotional expenditures could cause financial loss in some cases. Most marketing businesses are not involved in political activities.  
SOURCE: SM:075  
SOURCE: FI LAP 8—Prepare for the Worst; Expect the Best (Nature of Risk Management)

42. B  
Videoconferencing. Holding a video conference allows the interviewer to see the applicant and his/her reactions to the questions. Text messaging and email applications involve typing on a smartphone or a computer. These methods are time consuming and do not allow the interviewer to see or hear the applicant. An intranet is a business's internal computer network.  
SOURCE: HR:412  
SOURCE: eHow.com (2015). *How to prepare for a Skype interview*. Retrieved September 9, 2015, from [http://www.ehow.com/how\\_5648281\\_prepare-skype-interview.html](http://www.ehow.com/how_5648281_prepare-skype-interview.html)
43. D  
Manipulating the research. Businesses can protect the integrity of the marketing information they collect by interpreting the research correctly and not manipulating it in such a way that it agrees with a predetermined conclusion. Protecting the integrity of marketing information is sometimes difficult because businesses often can make the research support either side of an issue depending on how they interpret it. Most businesses try to interpret the research correctly because consumers are sometimes suspicious of research findings that seem to support the opinions of the business that sponsors the research. Many businesses pay research organizations to collect and analyze data. Surveying a lot of people usually adds to the integrity of marketing information because a broad audience was involved. Working with a publisher does not affect the integrity of marketing information.  
SOURCE: IM:025  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [p. 95]. Mason, OH: South-Western Cengage Learning.
44. D  
Cookies. Some website computers place information, a "cookie," on a user's hard drive when the user visits the site. The next time a user visits that site, the site's computer recognizes the user because of the cookie. Marketing-information employees use cookies to maintain user information and track how many times a user visits a specific website or buys a product. This type of data allows marketing-information employees to customize websites in order to appeal to the preferences and habits of the consumers who are visiting their sites. A browser is software that allows a computer to access information on the Internet. Spiders are a type of search tool. A bookmark is a term used to describe a website that is marked for later reference.  
SOURCE: IM:183  
SOURCE: Indiana University. (2015, March 12). *What are cookies?* Retrieved September 2, 2015, from <https://kb.iu.edu/d/agwm>
45. D  
Accuracy. Accuracy is absolutely essential in gathering, recording, and analyzing marketing-research data if the data are to be of value to the business. Inaccurate data can cause the business to make incorrect or unwise decisions. The frequency with which research is conducted would depend upon the needs of the business. Primary data are facts collected specifically for the problem or project at hand. Secondary data are facts that have been collected for purposes other than the project at hand. A marketing-research project may require either or both kinds of data.  
SOURCE: IM:010  
SOURCE: IM LAP 5—Seek and Find (Nature of Marketing Research)
46. C  
Each marketing-research study is unique. Each business and marketing-research study is unique, but there are a few common ways that managers and researchers work together to define the problem clearly and correctly. Marketing-research studies can be conducted more or less than once per year. Lower level employees may be very helpful with marketing-research studies. Marketing-research studies need not be difficult to conduct, especially with experienced researchers on hand.  
SOURCE: IM:282  
SOURCE: IM LAP 13—What's the Problem (Marketing-Research Problems)

47. D  
Represents a larger group. A sampling plan is the course of action for gathering marketing information from a section or portion of a target market. A business gathers data from a portion of the target market because the market is often too large to obtain data from each market member. Therefore, researchers use the sample group's responses to represent the larger group's opinions and ideas. Sampling plans use different methods to select and gather information. The marketing-research issue or problem and the way the sample data are collected influence but do not eliminate the respondents' bias and error rates. Observation is a method of collecting primary data, which may or may not be more reliable than other research methods.  
SOURCE: IM:285  
SOURCE: IM LAP 16—Take Your Pick (Sampling Plans)
48. D  
"Tara graduated first in her class." Tara's class ranking is quantitative data. It's a statistical fact. The other statements are based on opinion or experience. They are examples of qualitative data.  
SOURCE: IM:289  
SOURCE: IM LAP 17—Hunting and Gathering (Data-Collection Methods)
49. C  
Video camera. Direct-observation research is a type of marketing research that involves watching customers' in real time to assess their behaviors. For example, a business may want to watch its customers' shopping habits and browsing patterns to determine if the business is merchandising its products effectively. The business may have a researcher use a video camera to record the customers' behavior so that the researcher can review it later in detail. A global-orientation system, a fax machine, and a DVD player are not direct-observation methods that researchers use to collect data in a neutral way.  
SOURCE: IM:418  
SOURCE: Cerka, M. (2008, May 19). *What is observation in marketing research?* Retrieved September 2, 2015, from [www.observation360.blogspot.com](http://www.observation360.blogspot.com)
50. C  
Mode. Mode is the answer to a question that respondents give most often. In the situation described, most respondents rated the product's durability at five on the marketing research survey, which makes the number five the mode. A median is the middle value of the established sample criteria. This means that half of the data or responses are below the median value and half are above the median value. Disbursement and deviation are not measures of central tendency.  
SOURCE: IM:191  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 444-446]. Mason, OH: South-Western Cengage Learning.
51. C  
Rosanna checks two response options for one question on a paper questionnaire. A response error occurs when a respondent provides an incorrect answer or response. Response errors often occur when respondents do not understand the question or when they hurry to complete the survey and do not read instructions or questions carefully. Because Rosanna provides two responses or answers for one question, the questionnaire contains a response error. A non-response error occurs when a respondent does not answer all of the questions in a survey. Because Jack does not provide his telephone number, the survey contains a non-response error. Providing an opinion during a focus group and pausing before answering a question are not examples of errors.  
SOURCE: IM:292  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 491-496]. Mason, OH: South-Western Cengage Learning.

52. D  
Standard of living. Standard of living is the way or manner in which people live. It is usually measured by the quality and quantity of the goods and services that people own and use. Consumers' buying power is the amount of money they have available to spend. Buying habits are the customary ways in which people make purchases. A value system is based on ethics or principles.  
SOURCE: MK:001  
SOURCE: MK LAP 4—Have It Your Way! (Nature of Marketing)
53. D  
Goals. Goals are things or objectives that businesses want to attain. Increasing membership by 25% during the next year is a specific goal. Strategies are plans of action for achieving goals and objectives. Tactics are specific actions that will be used to carry out strategies. Principles refer to rules of conduct.  
SOURCE: MP:001  
SOURCE: MP LAP 2—Pick the Mix (Marketing Strategies)
54. D  
SWOT analysis. A marketing plan is a set of procedures or strategies for attracting the target customer to a business. A component of the marketing plan is the SWOT analysis, which describes the businesses strengths, weaknesses, opportunities, and threats. Because Maria is describing one of her business's strengths (highly creative and flexible staff) and one of her business's weaknesses (lack of financial resources), she is working on the SWOT analysis. The promotional plan is the set of procedures or strategies for the business's promotional efforts. The marketing mix is the four elements of marketing—product, place, promotion, and price. A financial statement is a summary of accounting information.  
SOURCE: MP:007  
SOURCE: Solomon, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5<sup>th</sup> ed.) [pp. 544, 548-549]. Upper Saddle River, NJ: Pearson Prentice Hall.
55. B  
Environmental scanning. A situation analysis is a determination of a firm's current business situation and the direction in which the business is headed. One element of a situation analysis is environmental scanning which involves collecting information about the environment surrounding the business. By scanning the external environment, the business can identify changes that may have an impact on the business. These changes may present threats to the business or opportunities for the business that the business considers during the marketing planning process. Businesses conduct a situation analysis as part of the marketing planning process. Sales positioning and organizational testing are not elements of a situation analysis.  
SOURCE: MP:008  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 35). Woodland Hills, CA: Glencoe/McGraw-Hill.
56. C  
Access a database. A database is computerized storage for information and facts. Most businesses maintain a database of information that is relevant to the business, such as lists of customers and vendors, inventory levels, prices of materials, etc. When businesses need information, they access the database to obtain the data efficiently. For example, a business could access a database to find out how many customers in a certain area purchased a specific product during a specified time period. Scheduling an interview, reading a book, and contacting a competitor are not ways for businesses to obtain needed information efficiently.  
SOURCE: NF:078  
SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 134-135]. Upper Saddle River, NJ: Pearson Prentice Hall.

57. D  
Formal sales presentation. Presentation software is often used to provide visual support for oral presentations. Presentation software is often used during sales presentations to provide customers or prospective customers with visual information about the product's attributes and benefits. Graphic depictions of products are especially useful for items that cannot be easily transported to other locations because the audience can see an image of the product. Status meetings, employee performance reviews, and union contract negotiations are not the most appropriate business situations in which to use a computer-generated slideshow to highlight product information. The purpose of a status meeting is to update the team about various aspects of a project. An employee performance review is a tool to provide workers with feedback about their work efforts. Union contract negotiations occur when management and labor representatives meet to reach agreement about the workers' pay, benefits, working conditions, etc.  
SOURCE: NF:080  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 201-202). Woodland Hills, CA: Glencoe/McGraw-Hill.
58. A  
Electronic. Information usually comes in either physical form (anything on paper) or electronic form (emails, videos, spreadsheets, etc.). Book, note card, and verbal are not typical forms of information that a business must manage.  
SOURCE: NF:110  
SOURCE: NF LAP 3—In the Know (Nature of Information Management)
59. B  
Autoresponder. Autoresponder is a computer program that automatically returns a specified message to anyone who emailed a particular address. The autoresponder function is a way for a business to quickly acknowledge the customer's message and to let him/her know that the company is going to take action within a certain timeframe. It is a way to provide customer service. Instant messaging is a computer program that allows one or more individuals to send typed messages via the computer in real time. Mechanical-reaction and timed reply are fictitious terms.  
SOURCE: NF:004  
SOURCE: PCMAG.com. (n.d.). *Auto-responder*. Retrieved December 22, 2009, from <http://www.pcmag.com/encyclopedia/term/38228/auto-responder>
60. C  
Word processing. Most word-processing software programs are designed to be used to create text documents, although some have limited graphic capabilities. Businesses use word-processing software programs to write letters, memos, reports, business plans, and sales contracts. There are many different word-processing software programs available that enable businesses to create, edit, and store important text documents. Presentation software programs are used to develop visual presentations. Web-page editors are software applications that businesses use to create web pages. Communications software programs allow computers to communicate with other computers.  
SOURCE: NF:007  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 213-216). Columbus, OH: Glencoe/McGraw-Hill.
61. D  
To remain competitive. The business world is constantly changing, and new trends come and go on a regular basis. Businesses need to pay attention to trends and adjust accordingly in order to remain competitive. Business as usual is not effective in today's fast-paced and changing environment. The businesses that adapt and keep up with new trends are the ones that remain successful. Experimenting with new types of advertising is usually more effective than merely increasing the amount of advertising. Businesses do not need to be aware of new trends in order to hire personnel or identify resources.  
SOURCE: NF:013  
SOURCE: Perreault, W.D., Cannon, J.P., & McCarthy, E.J. (2008). *Basic marketing: A marketing strategy planning approach* (16<sup>th</sup> ed.) [p. 654]. Boston: McGraw-Hill/Irwin.

62. D  
Identifying participants and responsibilities. The first step in conducting an environmental scan is to identify participants and their responsibilities. Every employee should participate, although some employees may have more formal duties than others. After this step has been completed, businesses can move on to carrying out scanning activities, identifying and analyzing important trends and issues, and selecting trends and issues to act on.  
SOURCE: NF:015  
SOURCE: NF LAP 2—Get the 411 (Environmental Scanning)
63. B  
Intangible. The difference between service providers' and manufacturers' operations activities is that service providers produce intangible outputs, rather than the tangible goods that manufacturers create. The outputs may or may not be expensive or useful.  
SOURCE: OP:189  
SOURCE: OP LAP 189—Smooth Operations (Nature of Operations)
64. C  
Wipe it up immediately. Spills may make the floor slippery and create a safety hazard. Others may not notice the spill, fall on the wet surface, and suffer injuries. All employees are responsible for helping to maintain a safe environment. They should not wait for the floor to dry, tell others about the spill, or leave it for the cleaning crew.  
SOURCE: OP:007  
SOURCE: Root, G.N. III. (2015). *What are some workplace safety issues?* Retrieved September 2nd, 2015, from [smallbusiness.chron.com/workplace-safety-issues-1303.html](http://smallbusiness.chron.com/workplace-safety-issues-1303.html)
65. A  
The next accident could result in an injury. The fact that one accident does not result in an injury does not ensure that the next accident will have the same results. An accident that does not cause an injury should be reported to a supervisor so that the circumstances causing the accident can be corrected if possible. This may save someone else from injury. Government regulations vary from state to state and for different industries. Reporting a noninjurious accident does not prevent future liability.  
SOURCE: OP:009  
SOURCE: Clark, B., Basteri C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 565-566]. Tinley Park, IL: The Goodheart-Willcox Co.
66. B  
Encrypting computer files. Encryption is the process of transforming information into a secret code so that only specified individuals can read it. By encrypting confidential computer files, the business protects the information from unauthorized access by internal and external sources. For optimal protection from computer viruses, businesses should conduct computer virus scans continuously rather than once a year. Activities such as classifying information and developing Internet message boards do not protect the information from unauthorized users.  
SOURCE: OP:153  
SOURCE: Stemp, M. (2015, January 27). *Protect confidential information—encrypt it!* Retrieved September 14, 2015, from <http://stempsystems.com/protect-confidential-client-information-encrypt/>
67. C  
To obtain lower prices from bidders. By using a competitive bidding process, businesses can obtain lower prices from vendors, thereby decreasing their overall product costs. Competitive bidding occurs between businesses so that businesses obtain better services as well as better products/materials/components. The process should encourage as many vendors as possible to attempt to get a contract rather than limiting the number of vendors to pick from. Competition and product champions are not related to the competitive bidding process.  
SOURCE: OP:160  
SOURCE: Universal Service Administrative Company. (1997-2015). *Competitive bidding*. Retrieved September 14, 2015, from <http://www.usac.org/sl/applicants/step02/competitive-bidding.aspx>

68. C  
Rent. Fixed costs are business expenses that do not change with changes in sales volume. Fixed costs include items such as salaries, rent, mortgage, and property taxes. Variable costs are business costs that change and include commission, delivery charges, and cost of goods sold.  
SOURCE: OP:024  
SOURCE: Business Owners Toolkit. (1995-2011). *Fixed and variable costs*. Retrieved March 3, 2011, from [http://www.toolkit.com/small\\_business\\_guide/sbg.aspx?nid=P06\\_7510](http://www.toolkit.com/small_business_guide/sbg.aspx?nid=P06_7510)
69. A  
Control expenses. Employees can play a role in controlling business expense by not appropriating company property. The business should explain to employees that controlling expenses helps the business to increase its profits. External theft occurs when items are stolen by persons outside the company or shoplifted by customers.  
SOURCE: OP:025  
SOURCE: OP LAP 5—Buck Busters (Employee Role in Expense Control)
70. C  
Routine decisions. Employees need to make routine decisions every day on the job. Businesses expect them to be capable of making many of these decisions on their own without asking a manager what to do. Businesses do not want to waste valuable time directing every action that employees take. They expect employees to make routine decisions that will allow them to work effectively, oftentimes with little supervision. Businesses do not expect employees to make policy changes, operating plans, or personnel choices.  
SOURCE: PD:017  
SOURCE: PD LAP 10—Weigh Your Options (Decision Making)
71. D  
Don't bite off more than you can chew. Beau needs to learn not to bite off more than he can chew. Taking on more clients than he can handle means he really won't give his best effort to any of them. Beau's problem isn't relating to focusing on goals, getting enough sleep, or dividing a large project into smaller parts.  
SOURCE: PD:019  
SOURCE: PD LAP 1—About Time (Time Management)
72. C  
Salary requirements. It is not necessary for applicants to specify their salary requirements on a job application. Applicants usually want to have the opportunity to discuss salary in person rather than run the risk of asking for too much or too little before obtaining an interview. Educational background, contact information, and professional experience are examples of the types of information that should be included in a job application.  
SOURCE: PD:027  
SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [p. 47]. Mason, OH: South-Western Cengage Learning.
73. C  
It prepares you to ask good questions. As a job applicant, you should find out as much as possible about the business before a job interview so that you are prepared to ask intelligent questions about the company. This does not ensure that you'll be considered for the available job, but it does indicate your interest in the company and the job. It does not necessarily indicate that you have done a lot of reading, since you may have obtained information about the company from other sources such as current employees or television news. It is not necessary for you to have something to discuss with the interviewer as the interviewer decides what will be discussed.  
SOURCE: PD:028  
SOURCE: Bailey, L.J. (2007). *Working* (4th ed.) [pp. 65-66]. Mason, OH: South-Western Cengage Learning.

74. A  
Maintain their professional certifications. Many professions—accounting, finance, medical, and education—require certification to work in their fields. Because these fields are always changing, workers are required to update their knowledge and skills to maintain their certifications. Continuing education often involves taking classes and attending seminars and workshops. Professionals are not required to take continuing education classes to improve their standard of living, demonstrate their emotional intelligence, or supplement their existing income.  
SOURCE: PD:033  
SOURCE: Britt, D. (2012, August). *The importance of continuing education*. Retrieved September 14, 2015, from <http://source.southuniversity.edu/the-importance-of-continuing-education-98201.aspx>
75. C  
Industry trends. Trends are the direction in which things are moving. Businesspeople can keep up with the trends and changes that affect their professions and/or industries by reading trade journals. By keeping up with trends, businesspeople can help their employers develop strategies to keep up with the dynamic marketplace. Trends and changes affect many types of business structures—corporations, partnerships, LLCs, sole proprietorships, etc. Employees learn about internal policies by reading their employee handbooks or company newsletters rather than a trade journal. Employees can learn about the organization's sales performance by reviewing the company's internal sales reports.  
SOURCE: PD:036  
SOURCE: VirginiaTech. (2014). *Magazines, trade journals, and scholarly journals*. Retrieved January 27, 2014, from <http://www.lib.vt.edu/help/research/types-sources.html>
76. C  
Answer questions. Professional salespeople are expected to be able to answer questions and provide further information in order to sell goods and services to customers. To do this successfully, they must be experts in the goods or services they sell and be able to develop long-term relationships with customers. Salespeople are not expected to develop brochures, although they may use them as a selling tool. Salespeople do not need to control expenses in order to sell. Arranging displays is the responsibility of the visual merchandising department.  
SOURCE: PD:024  
SOURCE: PD LAP 21—Career Opportunities in Marketing
77. C  
Scanner fraud. Businesses occasionally make honest pricing mistakes. An employee may forget to key in the sale price of an item or key it incorrectly into the computer system. When this happens the customer is charged an incorrect amount for the item when it is scanned at the checkout counter. On the other hand, scanner fraud is a deliberate action that involves overcharging customers, usually for smaller goods, with the expectation the customer will not notice or fuss about it. This is unethical behavior because the business is acting in a deceptive, intentional way to pad the business's bottom line. Predatory pricing is the practice of pricing goods extremely low with the goal of driving the competition out of business. Retail price maintenance involves producers pressuring retailers to sell goods at the suggested retail price, which is unethical and, in some jurisdictions, an illegal practice. Price fixing is an illegal agreement in which businesses agree on prices of their goods or services, resulting in little choice for customers.  
SOURCE: PI:015  
SOURCE: Kotler, P., & Armstrong G. (2008). *Principles of marketing* (12<sup>th</sup> ed.) [pp. 326-327]. Upper Saddle River, NJ: Prentice-Hall.

78. C  
Spreadsheet. Spreadsheet software programs are designed to calculate and analyze numerical data. Spreadsheets are very useful for business owners as they evaluate numerical data that relates to pricing issues. Presentation software is used to create visual aids that are commonly used in sales or other types of presentations. Word-processing programs are used to create written documents. Communication software programs (e.g., email) are used to facilitate the distribution of messages.  
SOURCE: PI:016  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 213-216). Columbus, OH: Glencoe/McGraw-Hill.
79. B  
Whether to change the product. Whether to change the product is one of the choices that needs to be made during the decline stage. During this stage in the product life cycle, the producer also has to decide whether to sell or license the product, recommit to the product line, discount the product, or regionalize the product. Increasing awareness occurs during the introductory stage. Fending off the competition occurs during the maturity stage. The company does not need to decide the production schedule.  
SOURCE: PM:024  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 718-719). Columbus, OH: Glencoe/McGraw-Hill.
80. B  
Planned obsolescence. Business ethics are the basic principles that govern a company's actions. Planned obsolescence occurs when a business releases a product and plans to discontinue it and replace it with an updated version of the item. This often occurs with technology-based products such as video games and computer software. When a business plans product updates on an annual basis, its customers are often required to purchase the new version in order to use the core product. This can be a financial burden on consumers and can present an ethical situation for the business. International markets, demographics, and taxation are not ethical issues that businesses often encounter when planning product updates and changes.  
SOURCE: PM:040  
SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 574, 576-577]. Upper Saddle River, NJ: Prentice-Hall.
81. C  
An identified want exists. Market opportunity exists when an economic want exists, and there is an idea for a good or service for which people are willing and able to pay to fulfill that want. Market opportunity does not necessarily exist because an entrepreneur brainstorms ideas or when supply exceeds demand. In addition, the level of productivity does not necessarily affect the level of demand.  
SOURCE: PM:134  
SOURCE: The Duke Entrepreneurship Manual. (n.d.). *Market opportunity*. Retrieved September 2, 2015, from <http://www.dukeeven.com/Home/Evaluation/Market-Opportunity>
82. D  
Research and development. Many large businesses have research and development departments that are responsible for generating ideas for new products. These departments conduct research, analyze information, and review new technology to generate ideas. They often begin with a problem or an issue and generate ideas to solve the problem or address the issue. The sole function of these departments is to develop new products or update existing products. Information technology deals with the sharing of information. Executive management is responsible for the overall operation of the business. Sales and marketing is responsible for selling the product.  
SOURCE: PM:128  
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [p. 279]. Tinley Park, IL: Goodheart-Willcox Company, Inc.

83. B

Grades. Grades are ratings assigned to certain products. The U.S. Department of Agriculture has identified different grades for about 300 food products. These grades determine how the products can be used. Some lower grades indicate that the foods must be used as ingredients in other food products rather than for straight human consumption. Traits are distinguishing characteristics. A label is information attached to or printed on a product by the manufacturer. A brand is a name, term, symbol, or design that identifies a product and distinguishes it from competitors' products.

SOURCE: PM:019

SOURCE: PM LAP 8—Raise the Bar (Grades and Standards)

84. C

Use protective packaging. To reduce the risk of product tampering, businesses package their products in ways that ensure that the products are safe for consumption. For example, pharmaceutical companies often use heat seals, blister packs, and bottle safety caps to make it difficult to alter the product before it is sold to the end user. Consumers feel more confident about using the product when they open the package and the item is sealed and protected. Governments often require businesses to place clear, detailed labels on product packages that indicate the ingredients and the proper way to use or administer the products. Competitive pricing and a disclaimer on the package do not ensure a product's safety.

SOURCE: PM:017

SOURCE: Inline Filling Systems. (2014, June 17). *Why do you need tamper evident packaging?* Retrieved September 14, 2015, from <http://www.fillers.com/why-do-you-need-tamper-evident-packaging/>

85. B

Mix. The product mix is the particular assortment of products that a business offers in order to meet its market's needs and its company's goals. Depth refers to the quantity of goods offered in the product line. Demand is the quantity of a good or service that buyers are ready to buy at a given price at a particular time. Product classification refers to the type of product, whether consumer or industrial.

SOURCE: PM:003

SOURCE: PM LAP 3—Mix &amp; Match (Nature of Product Mix)

86. B

Positioning. Product positioning is the consumer's image or impression of a product as compared to that of competitive products. One of the goals of product positioning is to make sure that consumers perceive a product in the way that the business intended. This involves communicating information about the product's attributes and characteristics so customers will have a clear perception of its image. Product screening is the process of considering each idea for a new product and discarding those that seem unworkable. Product development is the stage in the creation of a new product in which a working model may be tested, modified, and retested, and production costs are estimated and final details of the product are planned. Product management involves monitoring and developing one or more existing products.

SOURCE: PM:042

SOURCE: Richards, L. (2015). *The importance of product positioning to the marketing plan*. Retrieved September 2, 2015, from [smallbusiness.chron.com/importance-product-positioning-marketing-plan-24275.html](http://smallbusiness.chron.com/importance-product-positioning-marketing-plan-24275.html)

87. D

Insistence. When consumers are in the brand insistence stage, they will not buy a substitute brand.

Brand recognition is the stage of brand loyalty in which consumers are made aware of a brand's

existence. Brand preference is the stage of brand loyalty in which consumers prefer to purchase a certain brand but will accept substitutes if the brand is not available. A brand strategy is the action a business takes with a brand in order to accomplish its goals.

SOURCE: PM:021

SOURCE: PM LAP 6—It's a Brand, Brand, Brand World! (Nature of Product Branding)

88. C  
Sell goods or services. The major purpose of using promotion for most businesses is to increase their sales. Promotion helps to do this by informing, reminding, and persuading customers. Promotion is also used to introduce new products and to attract customers to a business. Consumer demand can be created but not controlled.  
SOURCE: PR:001  
SOURCE: PR LAP 2—Razzle Dazzle (Nature of Promotion)
89. A  
Informing customers about product features. Informing customers about product features is a use of product promotion. Product promotion is an attempt to persuade customers to buy a particular good or service. It can be used to create customer awareness of a good or service, inform customers about product features, encourage interest in and inquiries about a good or service, inform customers where a product can be purchased, build a reputation for a product, and create excitement and motivate retailers and salespeople. Recruiting new employees, highlighting social or environmental issues, and changing attitudes toward the company are all uses of institutional promotion, not product promotion.  
SOURCE: PR:002  
SOURCE: PR LAP 4—Know Your Options (Product and Institutional Promotion)
90. A  
Use drugs they do not need. Advertising prescription drugs is often a controversial topic. Those who feel it is ethical to advertise drugs believe that the ads are simply providing information. Those who feel that this type of advertising might be unethical believe that it persuades customers to ask their doctors for drugs they do not need. If customers see ads for certain drugs, they may decide they would like to try them. Oftentimes, doctors will write prescriptions for patients if they are persistent, even if the doctors don't think the drugs are necessary. Also, promoting name-brand prescription drugs encourages customers to ask for them rather than comparable generic drugs that are less expensive. Customers usually are unable to buy drugs they cannot afford. Prescription drugs usually must be purchased from a licensed pharmacy rather than from the manufacturer. Persuading customers to order inexpensive drugs is not an ethical issue.  
SOURCE: PR:099  
SOURCE: Woodard, L. (2010, February 24). *Pharmaceutical ads: good or bad for consumers?* Retrieved September 14, 2015, from <http://abcnews.go.com/Business/Wellness/pharmaceutical-ads-good-bad-consumers/story?id=9925198>
91. A  
Consumers can access the business's website at any time. Because consumers have access to the Internet 24/7, they can access product information on websites when it is convenient for them to do so. Not only do businesses have the ability to promote their products through their websites, they can place online advertisements on the websites of other businesses, which increases the business's exposure to potential customers. Most businesses must update their websites on a continuous basis, although the frequency depends on the type of business and its products. Businesses don't want consumers to ignore their promotions. Promoting products on the Internet may increase sales, but it does not always happen quickly.  
SOURCE: PR:100  
SOURCE: Arens, W.F., Weigold, M.F., & Arens, C. (2013). *Contemporary advertising and integrated marketing communications* (14<sup>th</sup> ed.) [pp. 466-472]. New York: McGraw-Hill/Irwin.
92. A  
Consumer interest in the ads. Many people read newspapers as much for the advertisements as for the news content. In radio and television, large numbers of consumers "tune out" the commercials because they have little or no interest in the advertisements. Color reproduction in newspapers has become very good, but it cannot compete with television color. Both newspaper advertising and radio promotion are often aimed at a local audience. Television has more sensory appeal than newspapers because it can appeal to more of the senses than newspapers.  
SOURCE: PR:007  
SOURCE: PR LAP 3—Ad-quipping Your Business (Types of Promotional Media)

93. A  
To strengthen the theme. The elements of an advertisement include the headline, copy, illustrations, and signature. It is important to coordinate these elements to strengthen the theme of the advertisement. All of the elements should reinforce and promote the theme in order for the advertisement to be effective. It is not important to coordinate the elements in advertisements to analyze the objective, simplify the message, or locate the audience.  
SOURCE: PR:251  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 471-475). Columbus, OH: Glencoe/McGraw-Hill.
94. A  
Budget. The promotional budget establishes the amount of money that the business plans to spend on its promotional efforts. There are a number of ways the business can determine how much to allocate to promotion. One method is to base the promotional budget on the firm's expected sales and adjust it during the year if sales are higher or lower than expected. The promotional mix is the combination, or blend, of marketing communication channels that a business uses to send its messages to consumers. The promotional method is the particular medium or media chosen to deliver the promotional message. The promotional objectives are the goals the firm wishes to achieve through its promotional efforts.  
SOURCE: PR:073  
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 74]. Tinley Park, IL: The Goodheart-Wilcox Co.
95. C  
Communication skills. Duane displays communication skills when he actively listens to his customers. He knows that good communication isn't just a one-way street. Ethics, persistence and patience, and education and training are all characteristics of successful salespeople, but they are not displayed by Duane in this situation.  
SOURCE: SE:017  
SOURCE: SE LAP 117—Sell Away (Nature of Selling)
96. B  
Increased sales volume. A clientele is a group of regular, repeat customers. An increase in sales is a direct result of building a clientele. Loyal customers return to buy regularly, thus providing the financial backbone for a growing business. Building a clientele helps to reduce selling costs, not increase them. Personal satisfaction and increased knowledge are salesperson benefits of building a clientele, not business benefits.  
SOURCE: SE:828  
SOURCE: SE LAP 115—Keep Them Loyal (Building Clientele)
97. A  
Negligence. Some salespeople are tempted to withhold negative product information to avoid turning the customer away from a purchase. Since withholding information could be considered misrepresentation or negligence, salespeople should resist the temptation to tell only part of the story. Exaggeration involves overstating, or stretching, the truth. Guessing involves providing information without knowing the facts. Reciprocity is a method of doing business in which sellers buy from their customers.  
SOURCE: SE:106  
SOURCE: SE LAP 129—Keep It Real—In Sales (Selling Ethics)
98. D  
Misrepresentation. By omitting important facts about a product, the business is misrepresenting the product and misleading consumers, which is illegal in many countries. Businesses that misrepresent their products often face lawsuits and fines. When a business overstates the capabilities of a product, it is exaggeration. Branding is the process of creating certain images about a product or business in the minds of consumers. In a sponsorship agreement, exclusivity is the sponsor's privilege of being the only company in its particular category of goods or services.  
SOURCE: SE:108  
SOURCE: Spiro, R.L., Rich, G.A., & Stanton, W.J. (2008). *Management of a sales force* (12<sup>th</sup> ed.) [pp. 493-496]. New York: McGraw-Hill Irwin.

99. D

Characteristics. A business's promotional materials often contain information about a product's characteristics or features that salespeople can use to sell the product. By reading a business's brochures, pamphlets, and print advertisements, salespeople can obtain information about a product's characteristics that will be useful in convincing customers that a product has the features that will provide the benefits for which they are looking. Aptitudes are natural talents for learning specific skills.

Demographics are information used to describe a population. Objectives are goals to be reached.

SOURCE: SE:062

SOURCE: SE LAP 131—Get Informed (Acquiring Product Information for Use in Selling)

100. A

Controlling. Controlling is the management function that monitors the work effort. Planning is the management function of deciding what will be done and how it will be accomplished. Directing is the management function of providing guidance to workers and work projects. Organizing is the management function of setting up the way the business's work will be done.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (Concept of Management)