



Competency-Based  
Competitive Events  
\*Written Exam\*  
for District/Regional Use

Test Number 1142  
Booklet Number \_\_\_\_\_

# Hospitality and Tourism Cluster Exam

**INSTRUCTIONS:** This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have \_\_\_\_\_ minutes to complete all questions.

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1. As a primary source of law, federal statutes are enacted by
  - A. administrative agencies.
  - B. the U.S. Supreme Court.
  - C. the U.S. Congress.
  - D. the House of Representatives.
  
2. A restaurant wants to open a second location, but it doesn't have the necessary money to do so. However, it is able to borrow money from a \_\_\_\_\_ to open the new facility.
  - A. creditor
  - B. debtor
  - C. borrower
  - D. wholesaler
  
3. David and Ella are in business together and each of them has unlimited liability. David and Ella's business is an example of a
  - A. franchise.
  - B. corporation.
  - C. joint venture.
  - D. general partnership.
  
4. Which of the following is one of the rights of customers who use the services of the hospitality industry:
  - A. Safe environment
  - B. Reasonable price
  - C. Guaranteed satisfaction
  - D. Efficient registration
  
5. Which of the following is the most common channel of distribution for consumer goods:
  - A. Producer to retailer to consumer
  - B. Producer to wholesaler to retailer to consumer
  - C. Producer to consumer
  - D. Producer to agents to wholesaler to retailer to consumer
  
6. What might result if a manufacturer begins to sell directly to large businesses rather than through traditional wholesalers?
  - A. Exclusive distribution
  - B. Horizontal channel conflict
  - C. Vertical channel conflict
  - D. Reverse distribution
  
7. What type of information concerning policies and procedures do employees often extract from an internal business report?
  - A. Customer profiles
  - B. New personnel regulations
  - C. Industry research data
  - D. Former local competitors
  
8. Employees are more likely to be able to correctly follow directions if those directions are explained in
  - A. excessive detail.
  - B. complex terminology.
  - C. chronological order.
  - D. technical language.

9. Due to a slump in sales, the RLT Company has decided to lay off 45 workers. Walter, an RLT manager, must choose three employees from within his department to let go. Although it would be easy to allow his emotions to influence his actions, Walter must base his decision regarding the layoffs strictly on facts and data. Walter must be able to defend his decision
- subjectively.
  - objectively.
  - quarterly.
  - inductively.
10. Before organizing an oral presentation, the presenter should
- prepare appropriate visual aids.
  - determine the size of the audience.
  - gather information from a variety of sources.
  - determine the purpose or nature of the message.
11. Your boss wants you to give a presentation at your next staff meeting, and she asks you to include graphic aids. Your boss is referring to
- your style of clothing.
  - charts or pictures.
  - facial expressions.
  - dialogue with your colleagues.
12. When writing a letter of inquiry, when should you identify the purpose of your letter?
- After describing your company
  - At the beginning of the letter
  - Once the recipient has agreed to meet with you
  - After identifying what prompted your inquiry (such as an advertisement)
13. If a manager wants to be sure she correctly interprets her employees' nonverbal cues, how should she communicate with them?
- By telephone
  - Face-to-face
  - By email
  - Through an office-wide memo
14. Kayla replies to Mrs. Patterson by saying, "The ProSpin GX2 blender is currently on backorder, but we expect to have another shipment in our warehouse by the end of this week." What is Kayla doing?
- Using a merchandising approach
  - Describing a product's features
  - Determining the customer's buying motive
  - Responding to a customer's inquiry
15. Richard is giving a presentation at a conference in his industry. He fails to adequately prepare, shows up late for his presentation, and doesn't do a good job. What effect will his poor performance have on his company?
- It will reflect positively on the company.
  - It will only reflect on Richard's image.
  - It will not have any effect on the company.
  - It will reflect poorly on his company's image.
16. Which of the following is a true statement regarding the Fair Information Practice Principles:
- They are not enforceable laws.
  - They do not cover online privacy issues.
  - They apply only to service businesses.
  - They are published by *Consumer Reports* magazine.

17. What aspect of distribution is of major importance to businesses?
- A. Inventory control
  - B. Volume discount
  - C. Buying process
  - D. Vendor selection
18. Seeing a movie at a theatre would be considered a(n) \_\_\_\_\_ want.
- A. unlimited
  - B. economic
  - C. limited
  - D. noneconomic
19. A team of employees is responsible for researching potential demand for a business's brand new product. The factor that is most likely to affect demand for this product is the
- A. product's utility.
  - B. costs of production.
  - C. government's policy.
  - D. number of producers.
20. Businesses own the goods or services they produce. This is an example of which characteristic of free enterprise?
- A. Private property
  - B. Limited government control
  - C. Competition
  - D. Profit motive
21. The two main sources of revenue used to pay the costs of government regulation are
- A. taxpayers and nontaxpayers.
  - B. taxes and borrowing.
  - C. business and labor.
  - D. government and industry.
22. The main tax advantage of a corporation is
- A. having less paperwork to fill out when paying taxes.
  - B. having more control on how tax money is spent.
  - C. retaining earnings at a lower tax rate than non-corporations.
  - D. avoiding payroll taxes.
23. Determine whether the following statement is true or false: Labor unions can affect productivity in the U.S.
- A. False, unions focus on the personal welfare of their members.
  - B. True, unions have a positive impact on productivity.
  - C. True, unions may demand benefits without regard to productivity.
  - D. False, unions do not have an effect on productivity.
24. Calculate the amount of personal consumption expenditures that will be included in GDP if citizens purchase \$8.3 million worth of new products and \$1.9 million worth of used cars for their own use; nonprofit institutions purchase \$2.6 million worth of goods and services; and the government purchases \$3.6 million worth of new equipment.
- A. \$11.2 million
  - B. \$11.9 million
  - C. \$12.3 million
  - D. \$12.8 million

25. Which of the following is a political influence that can affect currency value:
- A. Change in executive leadership
  - B. Low levels of inflation
  - C. Tax increases or cuts
  - D. Overall attitude toward the market
26. When Eddie became upset with a coworker during a business meeting, he threw his file down on the table, left the conference room, and slammed the door behind him. What was Eddie demonstrating?
- A. Problem-solving techniques
  - B. Low self-management skills
  - C. Positive relationship-management skills
  - D. Neutral non-verbal behavior
27. Which of the following is a true statement regarding taking responsibility for decisions and actions:
- A. It's important to be responsible for other people.
  - B. It's OK to blame other people sometimes.
  - C. It's OK to give yourself a break when you make a mistake.
  - D. Not everyone is able to take responsibility.
28. Of the following, which is a true statement about change:
- A. People tend to respond well to personal change.
  - B. It is the only thing that is constant in our lives.
  - C. It rarely causes problems for many businesses.
  - D. People tend to feel threatened by change.
29. Businesspeople who want to be successful in a global market should exhibit
- A. cultural sensitivity.
  - B. economic nationalism.
  - C. regional behavior.
  - D. local protectionism.
30. Which of the following is one of the steps of the formal method of reaching a consensus:
- A. Ask "yes" or "no" questions.
  - B. Repeat the revision process.
  - C. Explain why you don't like an option.
  - D. Discuss your alternatives.
31. What is true about personal vision?
- A. Specific goals are necessary to determine your vision.
  - B. Realistic visions are based on mission statements.
  - C. Good visions have permanent results.
  - D. Achievable visions are time bound.
32. What should a person always do when adapting to a new situation?
- A. Make a choice
  - B. Control undesirable circumstances
  - C. Resolve a difficult problem
  - D. Learn from another person's mistakes
33. Paul keeps his team focused on the vision even when they encounter negative responses from outsiders and changes in circumstances. Which guideline of sharing a vision does this illustrate?
- A. Demonstrating empathy
  - B. Being flexible
  - C. Being a good listener
  - D. Demonstrating integrity

34. Patrick has a hard time understanding math concepts, but he's great at Spanish. Cat struggles in Spanish class, but she always gets good grades in her math classes. Which of the following differences between Patrick and Cat is illustrated in this example:
- A. Personality
  - B. Physical condition
  - C. Mental ability
  - D. Lifestyle
35. Jenna works long and irregular hours to accommodate her clients' schedules. What characteristic of a good entrepreneur is Jenna exhibiting?
- A. Initiative
  - B. Honesty
  - C. Flexibility
  - D. Integrity
36. One of the reasons that businesses and consumers use credit is because it provides
- A. collateral.
  - B. reassurance.
  - C. interest.
  - D. convenience.
37. Jia just bought a new home. She makes a monthly payment that will help her protect her home if it is damaged by a natural disaster or otherwise harmed. Jia is making a(n) \_\_\_\_\_ payment.
- A. retirement
  - B. insurance
  - C. will
  - D. college
38. Melissa writes checks to pay for her rent, utilities, and groceries, and she keeps a record of all these transactions in her check register. Keeping an accurate check register helps Melissa
- A. determine when she needs to add funds to her savings account.
  - B. track the amount of money she has spent.
  - C. understand the checking account's restrictions and fees.
  - D. decide when to order new checks.
39. Of the following ownership investments, which involves owning **items** that gain or lose value over time:
- A. Real estate
  - B. Stock mutual funds
  - C. Collectibles
  - D. Stocks
40. If you are trying to create a personal budget, which of the following pieces of financial information is relevant to your purpose:
- A. A record of your monthly income
  - B. A sample budget found online
  - C. Your employer's assets and liabilities
  - D. Your best friend's cell phone bill
41. One of the roles of ethics in finance is to encourage business employees to
- A. increase company profits.
  - B. make the right decisions.
  - C. sell to customers.
  - D. prepare operating budgets.

42. Human resources managers who consider only education and experience during the staffing process are being
- inflexible.
  - judgmental.
  - biased.
  - ethical.
43. To reduce the time it takes to manually enter marketing-research results into a computer database, many businesses are using
- spreadsheet software programs.
  - online security systems.
  - optical scanning devices.
  - frequency distribution applications.
44. Why must the data collected in marketing research be analyzed?
- To evaluate the worth of the data
  - To complete the data collection step
  - To make sure they are accurate
  - To make them useful to the business
45. While filling out a customer-satisfaction survey, Ashley is asked to rank her level of agreement with the statement, "The sales representative was friendly and courteous." Out of the five options presented, Ashley's response is "strongly agree." This is an example of a \_\_\_\_\_ rating scale.
- Retention
  - Semantic differential
  - Paired comparison
  - Likert
46. The Majestic Resort and Conference Center sent an online survey to former guests to obtain feedback about their satisfaction levels with the facility and its services. What type of information did the resort collect?
- Secondary
  - Supportive
  - Preparatory
  - Primary
47. Businesses often maintain current demographic information to make decisions about the most effective strategy to use to
- purchase new equipment.
  - analyze the economy.
  - negotiate with suppliers.
  - reach the target market.
48. When should researchers ask potentially sensitive questions during an interview?
- Throughout the interview
  - At the beginning of the interview to get them out of the way
  - Toward the end of the interview
  - At the mid-point of the interview to allow time for the researcher to build rapport
49. The audience for the research report is young professionals. What should you incorporate into a visual presentation that will appeal specifically to that audience?
- Different backgrounds in each slide
  - Pictures
  - Concise information
  - Animated backgrounds

50. In addition to the wording on a questionnaire being clear, the wording should be
- complex and concise.
  - concise and objective.
  - ambiguous and complex.
  - objective and adaptable.
51. Identify the term that best represents marketing's role in society.
- Problem solver
  - Pioneer
  - Producer
  - Peacemaker
52. When promoting tangible products, marketers often try to add some "intangibles" to their offer. Why is the reverse also true—that service marketers try to add some "tangibles" to their offer?
- Consumers are wary that they can't return an intangible service but feel better knowing that there are tangibles included.
  - Consumers need tangible "sizzle" added to services to get them interested enough to buy.
  - Services provide incomplete marketing propositions and need tangibles to flesh out the offer to the consumer.
  - Consumers need tangible characteristics as "signals" of quality before they buy.
53. Which of the following would most likely indicate that an adjustment in a sales forecast is needed:
- The anticipated economic recovery did not occur.
  - Pricing adjustments were not needed.
  - The company's target markets will remain the same.
  - Promotional strategies will remain the same for next year.
54. One way for a person to verify the reliability of an online article's information is by
- asking others for their opinions.
  - evaluating the author's writing style.
  - gathering internal reports from the company's database.
  - comparing the information with other articles about the topic.
55. A legal issue associated with the use of information might involve the violation of \_\_\_\_\_ laws.
- copyright
  - patent
  - trademark
  - contract
56. One reason why businesses develop and use information systems is to help with the
- public relations effort.
  - decision-making process.
  - internal communication plan.
  - new recruitment system.
57. Eli is using an online search engine to obtain business information. To obtain narrow search results for a specific phrase, which of the following should Eli place around the text:
- Number sign
  - Asterisks
  - Quotation marks
  - Equal sign
58. A benefit of using an integrated software application package is that it allows businesses to
- develop research reports.
  - manage all aspects of the operation.
  - search the Internet for information.
  - prepare routine budgets.



59. One of the reasons why a chain of hotels might analyze and interpret the marketing information contained in databases is to
- survey guests.
  - compare variables.
  - tabulate findings.
  - organize products.
60. A business is mostly likely to review customer invoices from the previous year to
- evaluate ideas.
  - forecast sales.
  - execute promotions.
  - improve service.
61. Trends indicate that a large segment of the population is between 60 and 70 years old. A hospitality/tourism business can act on this trend by
- implementing a loyalty program for corporate business accounts.
  - selling international vacation packages to recent college graduates.
  - offering discounted hotel rates for guests who have children under the age of five.
  - developing tour products specifically designed to appeal to retirees.
62. Why is it important for employees to follow instructions when using equipment and machinery?
- To decrease overtime
  - To speed up production
  - To increase output
  - To minimize loss
63. Businesses such as banks that keep large amounts of cash on hand may be common targets for
- pilferage.
  - robbery.
  - fraud.
  - shoplifting.
64. What is likely to occur if a business's employees do not follow the business's security procedures?
- Increased risk of theft
  - Increased accident rates
  - Decreased financial losses
  - Decreased counterfeiting activity
65. Determining which tasks need to be performed and when they need to be completed is an important aspect of project
- initiating.
  - planning.
  - executing.
  - closing.
66. An automobile company conducted systematic accident simulations by crashing their cars and trucks into cement walls at various speeds. Results of the simulation were used to evaluate how well the vehicles held up and to determine weaknesses in the vehicles' structure. What quality control method is the company using?
- Commodities sampling
  - Random inspection
  - Material classification
  - Product testing

67. Which of the following are examples of overhead costs:
- A. Subscriptions, sales, and taxes
  - B. Utilities, insurance, and dividends
  - C. Postage, taxes, and insurance
  - D. Supplies, dividends, and rent
68. Which of the following employees are in a better position than others to help a business control expenses:
- A. Designers
  - B. Buyers
  - C. Stockers
  - D. Trainers
69. If a motel experiences a fire, earthquake, or severe flood, the motel staff should
- A. call the appropriate medical professionals.
  - B. activate each motel room's sprinkler system.
  - C. follow appropriate emergency procedures.
  - D. administer first aid as soon as possible.
70. Which of the following terms refers to the habits and practices you regularly perform to take care of your body:
- A. Meditation
  - B. Education
  - C. Relaxation
  - D. Hygiene
71. Which problem-solving method works the best with a group?
- A. Finding the root of the problem
  - B. Intuitive method
  - C. Seven-step method
  - D. Brainstorming
72. Jane enjoys working with people, is interested in television and advertising, has excellent grades in English and speech, and is very creative. What occupational area would she be better suited to pursue?
- A. Business and office
  - B. Communications and media
  - C. Personal services
  - D. Health and fitness
73. Which of the following guidelines should you follow when completing a job application form:
- A. Print the requested information in black ink.
  - B. Complete the parts labeled "for employer use only."
  - C. Identify the minimum salary level that is acceptable.
  - D. Leave information blank when it does not apply to you.
74. Mia is very organized and detail-oriented and enjoys helping others arrange activities such as fundraisers, receptions, and meetings. Based on her skills and interests, Mia might consider working in the hospitality industry as a(n)
- A. restaurant chef.
  - B. event planner.
  - C. purchasing agent.
  - D. accounting manager.

75. Which of the following is a business alliance organization that operates on a local level:
- Small Business Administration
  - International Federation of Social Workers
  - Seattle Metropolitan Chamber of Commerce
  - National Restaurant Association
76. A manager set a goal for all internal sales representatives to process 30 inbound telephone orders per day. What type of goal has the manager set for employees?
- Supplementary
  - Output
  - Personal
  - Improvement
77. The use of loss-leader pricing might be considered illegal if it
- targets one market.
  - creates excessive profit.
  - eliminates competition.
  - prevents discounting.
78. In relation to product grades and standards, why is international standardization needed?
- To protect patents, copyrights, and trademarks
  - To prevent market expansion
  - To prevent technical barriers to trade
  - To protect developing countries from competition
79. Why would a business remove or delete product items or lines from its product mix?
- To appeal to a new market
  - To offer customers complementary products
  - To increase market risk
  - To avoid legal liabilities
80. Positioning shows where a product stands in relation to
- government standards.
  - marketers' expectations.
  - its past performance.
  - the competition.
81. Which of the following hotels is most likely to have a competitive advantage over other hotels:
- The Marcus Hotel because it is located near a major highway on the outskirts of a large city
  - The Regency Hotel because it is the only hotel in Portland that offers childcare services
  - The Metropolis Hotel because it has a full-service restaurant near the hotel's lobby
  - The Hightower Hotel because it has an indoor swimming pool that guests can use
82. The Fortnight Hotel chain has over 100 hotels throughout the country that are located near metropolitan conference centers. The chain plans to build 15 golf resorts near popular destination areas over the next five years. This is an example of a business planning a
- franchise arrangement.
  - restructuring effort.
  - cannibalization strategy.
  - product extension.
83. Linking buyers and sellers through communication is one of the main purposes of
- promotion.
  - marketing.
  - research.
  - distribution.

84. Newspapers are an example of \_\_\_\_\_ media.
- A. print
  - B. outdoor
  - C. transit
  - D. broadcast
85. A small retail chain that sells specialized products for sports enthusiasts is located in a resort area that receives most of its business during the summer. To increase year-round sales, management wants to use direct-mail advertising. What format should you recommend that the retail chain use?
- A. Niche catalogs
  - B. Cable television shopping channels
  - C. Box-holder flyers
  - D. Computer kiosks
86. One of the disadvantages to marketers of using streaming video email is that it requires the recipient to have a
- A. cloud-computing capability.
  - B. sophisticated computer keyboard.
  - C. complicated operating system.
  - D. high-speed Internet connection.
87. What is an example of a “black hat” search engine optimization (SEO) strategy?
- A. Displaying a personal image when accessing password protected sites
  - B. Publishing web content to make money
  - C. Filling a web page with irrelevant key words
  - D. Pretending to be a trustworthy business to gain confidential information
88. The marketing director at the corporate office of a hotel chain asked one of the company's graphic artists to create a pencil rendering of a special event hosted by the hotel. To show texture in the drawing, the graphic artist should use
- A. crosshatching.
  - B. shading.
  - C. highlighting.
  - D. sketching.
89. Which of the following is an impact of color harmonies on the composition of a print ad:
- A. Develops logical sequence
  - B. Creates informal balance
  - C. Highlights a specific element
  - D. Emphasizes the advertiser's logo
90. At the Clara's Pizza Parlor website, customers are encouraged to send electronic postcards advertising the restaurant to friends and families. This is an example of \_\_\_\_\_ word-of-mouth marketing.
- A. inconspicuous
  - B. organic
  - C. celebrity
  - D. amplified
91. A travel agent says to a client, “Thank you for booking your cruise through Voyage Travel Agency. If three friends or family members book a cruise through our agency, we will give you a \$150 voucher to use on the next cruise that you book with us.” What is the travel agent doing?
- A. Promoting a charitable cause
  - B. Bribing a vendor
  - C. Asking for referrals
  - D. Earning a commission

92. In a movie that's about to be released, the main actors stop their car in front of a billboard for InterContinental Hotels. For the audience, this is an example of
- special events.
  - out-of-home advertising.
  - personal selling.
  - product placement.
93. Making sure that the headline, illustrations, and copy promote the same theme is an example of coordinating
- elements in advertisements.
  - principles of design.
  - channels of communication.
  - arrangements in print.
94. One way that hospitality and tourism businesses might build customer loyalty is by participating in
- industry-related meetings.
  - service-quality programs.
  - marketing research studies.
  - community outreach activities.
95. The overall efforts which help to build a firm's clientele include sales activities, the search for new clients, and
- written instruction manuals.
  - quality maintenance and repair.
  - business services and policies.
  - clear warranties and guarantees.
96. Using a laptop computer to track leads, write sales-call reports, and check inventory levels helps a salesperson to
- increase personal efficiency.
  - motivate sales-support staff.
  - develop personal contacts.
  - evaluate sales incentives.
97. To avoid legal problems, a salesperson must be careful when telling customers about products so that customers don't confuse the salesperson's opinion statements with
- indifference.
  - skills.
  - incompetence.
  - facts.
98. According to Maslow's Hierarchy of Needs, people are first motivated to buy to satisfy \_\_\_\_\_ needs.
- self-actualization
  - security
  - physiological
  - esteem
99. Which of the following is **not** a benefit to a business of using substitute selling:
- Makes shopping easier and faster
  - Increases sales
  - Increases profits
  - Improves reputation of the store

100. Which of the following is one of the major responsibilities for top-level managers:
- A. Short-range planning
  - B. Strategic planning
  - C. Tactical planning
  - D. Day-to-day planning



**KEY**

Test Number 1142

# Hospitality and Tourism Cluster Exam

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1. C

The U.S. Congress. The U.S. Congress, which includes the Senate and the House of Representatives, is a primary source of law. It enacts federal statutes (laws). The Supreme Court interprets the laws. The U.S. Congress enacts the formation of administrative agencies. Agencies such as the Food and Drug Administration develop various administrative regulations, which are also primary sources of law.

SOURCE: BL:067

SOURCE: Encyclopaedia Britannica. (2016). *Congress of the United States*. Retrieved September 26, 2016, from <https://www.britannica.com/topic/Congress-of-the-United-States>

2. A

Creditor. Creditors are individuals or businesses to whom a business or individual owes money or from whom it wants to borrow money. In this situation, a bank is most likely to be the creditor from which the restaurant is borrowing money. The debtor, in this situation the restaurant, is the individual or business who owes money to the creditor. The debtor would also be considered a borrower. A wholesaler is an intermediary who helps to move goods between producers and retailers by buying goods from producers and selling them to retailers.

SOURCE: BL:071

SOURCE: Averkamp, H. (2004-2016). *What is the distinction between debtor and creditor?* Retrieved September 26, 2016, from <http://www.accountingcoach.com/blog/debtor-creditor>

3. D

General partnership. A general partnership is a type of partnership agreement in which all partners are liable for a business's losses. A corporation is a form of business ownership that is owned by stockholders who have purchased units or shares in the company. A joint venture is an arrangement that involves two or more businesses entering into a relationship by combining complementary resources for the benefit of all parties. The joint-venture relationship is usually for a short term or for a single project. A franchise is a contractual agreement between a parent company and a franchisee and allows the franchisee to distribute the parent company's goods and services for a certain amount of money.

SOURCE: BL:003

SOURCE: BL LAP 1—Own It Your Way (Types of Business Ownership)

4. A

Safe environment. Customers who use the services of the hospitality industry have the right to a safe environment. For example, hotel guests have the right to be safe in the room they rent, and guests using banquet rooms have the right to be safe while on the property. If hotels do not provide a safe environment, they may be liable for harm or injury that guests experience. Hotels are free to set prices at any level. Many hotels advertise guaranteed satisfaction, although that is a promise rather than a right. Efficient registration provides good service, but is not a right.

SOURCE: BL:135

SOURCE: Perkins, E. (2008, June 26). *What are your rights as a hotel guest?* Retrieved September 26, 2016, from <https://www.smartertravel.com/2008/06/26/what-are-your-rights-as-a-hotel-guest/>

5. B

Producer to wholesaler to retailer to consumer. This is the most common distribution method for consumer goods. The manufacturer sells to the wholesaler, who then handles the sales, warehousing, and distribution of the goods to retailers. Producer to consumer is more likely to be used for direct contact by manufacturer to consumer, such as Avon. Producer to retailer to consumer is the channel used for merchandise that dates quickly or needs servicing, such as fashion items or automobiles. Producer to agents to wholesaler to retailer to consumer is used by producers who do not want to handle their own sales to retailers.

SOURCE: CM:003

SOURCE: CM LAP 3—Channel It (Channels of Distribution)



6. C

Vertical channel conflict. Vertical conflict may occur among members who are on different levels of the same channel of distribution. For example, a manufacturer traditionally sells products to wholesalers who sell the products to a business. If the manufacturer starts to sell directly to the business, the wholesalers are eliminated from the channel of distribution, which might create conflict because the wholesalers are losing customers and revenue. Reverse distribution involves recycling an existing product. Horizontal conflict may occur among members who are on the same level in a channel of distribution. Exclusive distribution involves selling to only one distributor.

SOURCE: CM:008

SOURCE: Herrera, A. (2014, January 15). *Channel conflict in marketing*. Retrieved September 26, 2016, from <http://www.slideshare.net/iamALECXZ/channel-conflict-in-marketing>

7. B

New personnel regulations. Most businesses prepare a variety of internal reports that are intended to inform employees about changes in policies and procedures. These internal reports often explain new personnel regulations. If employees analyze the reports, they will be able to understand and comply with the new personnel policies and procedures. Businesses do not share customer profiles with all employees. Internal business reports concerning policies and procedures usually do not explain industry research data or list former local competitors.

SOURCE: CO:057

SOURCE: Moore, M. (2016). *Why have personnel policies & procedures?* Retrieved September 26, 2016, from <http://smallbusiness.chron.com/personnel-policies-procedures-1234.html>

8. C

Chronological order. When assigning jobs or tasks to employees, managers need to provide employees with precise, easy-to-follow directions. Often, these directions involve performing tasks that need to be completed in a certain order. Then, the directions should be explained in chronological order so the employees will be able to follow them correctly. For example, employees need to know that steps one and two must be completed before step three. If directions are given out of chronological order, employees might not understand or be able to perform as expected. Directions that are explained in complex terminology, in excessive detail, or in technical language may be difficult for employees to understand and follow.

SOURCE: CO:119

SOURCE: Reh, J. (2016, May 6). *How to provide directions to your team members*. Retrieved September 26, 2016, from <https://www.thebalance.com/how-to-provide-directions-to-your-team-members-2276047>

9. B

Objectively. Rather than allowing his feelings (positive or negative) for his employees to influence his choice of workers to lay off, Walter must base his decision strictly on facts and accurate data. In other words, Walter must be able to justify and defend his decision, if necessary. Whenever a person uses facts rather than emotions to defend her/his decision or idea, that person is defending his/her decision or idea objectively. Because Walter can defend his ideas objectively, no one can accuse him or his company of playing favorites or choosing to keep a particular worker simply because Walter likes that employee, or because the worker's family has no other income. Subjective ideas are based on emotion, not on fact. There is no indication that Walter will be defending his decision inductively or on a quarterly basis.

SOURCE: CO:061

SOURCE: Lotich, P. (2010, June 15). *6 tips in managing employee layoffs*. Retrieved September 26, 2016, from <http://thethrivingsmallbusiness.com/6-tips-in-managing-employee-layoffs/>

10. D

Determine the purpose or nature of the message. Oral presentations are given to provide entertainment, relay information, or persuade the audience into a change of attitude or behavior. The speaker needs to know the purpose of the presentation before s/he can gather information or research for the message or prepare visual aids. Although the size of the audience can be a factor in organizing the presentation, it is not the first element of the presentation that the speaker considers.

SOURCE: CO:025

SOURCE: Public Affairs Council. (2016). *Speechwriting 101: Writing an effective speech*. Retrieved September 26, 2016, from <http://pac.org/content/speechwriting-101-writing-effective-speech>

11. B

Charts or pictures. Graphic aids can include tables, bar graphs, line graphs, pie charts, pictures, and more. Although the clothing you wear and the facial expressions you make can be a powerful way to communicate with your audience, they are not graphic aids. Dialogue with your colleagues may occur during your presentation, but it is not a graphic aid.

SOURCE: CO:087

SOURCE: Behavioral Institute for Children and Adolescents. (n.d.). *Giving a great presentation: Visual aids with impact*. Retrieved September 26, 2016, from [http://www.behavioralinstitute.org/uploads/giving\\_a\\_great\\_presentation.pdf](http://www.behavioralinstitute.org/uploads/giving_a_great_presentation.pdf).

12. B

At the beginning of the letter. Inquiries should be direct so that the recipient immediately knows what the inquiry is about. Start with the purpose of the inquiry before describing your company, project, or what prompted the inquiry. Delayed statement of your purpose (whether later in the letter or requesting a separate meeting) makes it more difficult for the recipient to understand the inquiry.

SOURCE: CO:040

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 604-605]. Upper Saddle River, NJ: Pearson Prentice Hall.

13. B

Face-to-face. With face-to-face communication, a manager would be able to observe her employees' nonverbal communication. This is not possible when communicating via telephone, email, or office memo.

SOURCE: CO:092

SOURCE: Grossman, D. (2011, August 31). *Leading in person: 6 reasons to communicate face-to-face*. Retrieved September 26, 2016, from <http://www.yourthoughtpartner.com/blog/bid/44390/Leading-in-Person-6-Reasons-to-Communicate-Face-to-Face>

14. D

Responding to a customer's inquiry. Employees must be able to answer customers' questions about the business's products, including those regarding a particular product's stock levels and backorder status. If the employee does not know the answer to the customer's question, s/he should ask an employee who does know. Kayla is not answering questions about the product's features, determining the customer's buying motive, or using a merchandising approach to greet the customer.

SOURCE: CR:006

SOURCE: WikiHow. (2016). *How to answer customer service questions*. Retrieved September 26, 2016, from <http://www.wikihow.com/Answer-Customer-Service-Questions>

15. D

It will reflect poorly on his company's image. Richard is always representing his company, whether he's in his office, at a conference, or somewhere else in public. Poor behavior, like being ill-prepared and late, doesn't just reflect on Richard. It also reflects poorly on his company's image. It's important for employees to remember that their actions, whether they are on or off the job, have an impact on their company's image.

SOURCE: CR:002

SOURCE: McQuerrey, L. (2014). *Importance of employee behavior in an organization*. Retrieved September 26, 2016, from <http://work.chron.com/importance-employee-behavior-organization-11019.html>

16. A

They are not enforceable laws. The Fair Information Practice Principles are not enforceable laws; rather, they are guidelines that businesses can use when creating ethical privacy practices. The principles have been created and published by the Federal Trade Commission. They are useful for every type of business and cover online as well as other types of privacy issues.

SOURCE: CR:017

SOURCE: CR LAP 17—Trust Is a Must (Ethics in Customer Relationship Management)

17. A

Inventory control. Inventory control is a distribution activity that involves keeping track of how much stock is on hand, how much has been sold or used, and how much is on order. Inventory control is so important that it has been called the watchdog of the distribution system. A volume discount is a discount which is based on the quantity of a purchase. The buying process is a series of sequential steps taken by industrial or retail buying personnel to purchase goods and services. Vendor selection is the process of identifying dependable and responsible suppliers of goods and services.

SOURCE: DS:001

SOURCE: Inc. (2016). *Inventory control systems*. Retrieved September 26, 2016, from <http://www.inc.com/encyclopedia/inventory-control-systems.html>

18. B

Economic. An economic want is something that you desire that has a monetary value. Seeing a movie would have a monetary value attached to it. A noneconomic want is a desire for something that has no monetary value. Wants are unlimited because everyone has them, they change, and people are not able to obtain enough resources to satisfy all of their wants. Limited wants do not exist.

SOURCE: EC:001

SOURCE: EC LAP 6—Are You Satisfied? (Economics and Economic Activities)

19. A

Product's utility. The basic demand for a product is not determined by its price but by its utility—its ability to satisfy a potential customer's wants or needs. If consumers believe the business's new product will benefit them, there is likely to be demand for it. The costs of production, government policies, and the number of producers are factors that affect supply.

SOURCE: EC:005

SOURCE: EC LAP 11—It's the Law (Supply and Demand)

20. A

Private property. Ownership of private property also includes ownership of the results of your work. Businesses in a private enterprise economy are free to decide how to use their private property. A limited amount of government control in a free enterprise system helps to regulate and control the system. Competition is rivalry between two or more businesses to attract scarce customer dollars. The profit motive, or the desire to make a profit, is a reason for going into business.

SOURCE: EC:009

SOURCE: EC LAP 15—People Power (The Private Enterprise System)

21. B  
Taxes and borrowing. Government collects taxes from taxpayers to pay the costs of regulating business and providing services. The taxes collected are not sufficient to cover government expenses which make government borrowing necessary. Nontaxpayers don't provide money to government. Business, labor, and industry are types of taxpayers.  
SOURCE: EC:008  
SOURCE: EC LAP 16—Regulate and Protect (Government and Business)
22. C  
Retaining earnings at a lower tax rate than non-corporations. The main tax advantage that corporations enjoy is the ability to retain earnings at a lower tax rate than non-corporations. This is because the corporation is taxed separately from its owners. Corporations don't have control over how the government spends tax money. They may or may not have less tax paperwork than non-corporations (most likely, they do *not*). And, corporations are subject to payroll taxes, just as non-corporations are.  
SOURCE: EC:072  
SOURCE: EC LAP 27—Pay Your Share (Business Taxes)
23. C  
True, unions may demand benefits without regard to productivity. Labor unions can have a negative effect on productivity if they demand that workers be given benefits whether they improve their productivity or not. Providing these benefits may reduce profits for the business and even cause business failure. Unions focus on the job welfare of their members.  
SOURCE: EC:013  
SOURCE: EC LAP 18—Make the Most of It (Productivity)
24. D  
\$12.8 million. Personal consumption expenditures include the final market value of all services and new and used goods purchased for consumption by individuals and nonprofit institutions. Everything that you and your family buy for personal use is counted in this GDP category. In this situation, determine the amount of personal consumption expenditures that will be included in GDP by adding the total purchases of citizens and nonprofit institutions (\$8.3 million + \$1.9 million + \$2.6 million = \$12.8 million). Government purchases for new equipment are included in the government purchases of goods and services category rather than in the personal consumption expenditures category.  
SOURCE: EC:017  
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 62-63). Woodland Hills, CA: Glencoe/McGraw-Hill.
25. A  
Change in executive leadership. Change in a country's executive leadership (a new president, for example) is a political factor that can affect currency value. Inflation levels and tax increases/cuts are economic influences on currency value. The overall attitude toward the market is called market psychology—it is not a political factor.  
SOURCE: EC:100  
SOURCE: EC LAP 30—Get Your Money's Worth (Exchange Rates)
26. B  
Low self-management skills. Emotional intelligence is the ability to recognize and manage emotions in ourselves and in others. Because Eddie threw his file down, left the room, and slammed the door behind him, he was not effectively managing his emotions. Eddie's non-verbal behavior indicated that he lacked self-control in this particular situation. An individual with good relationship-management skills works to effectively solve problems by exhibiting empathy, flexibility, and self-control.  
SOURCE: EI:001  
SOURCE: EI LAP 6—EQ and You (Emotional Intelligence)

27. C

It's OK to give yourself a break when you make a mistake. No one is perfect. It's OK to give yourself a break when you make a mistake or fail to take responsibility for one of your actions or decisions. It's not OK to blame other people for your mistakes, however. There are limits to your responsibility—you are not responsible for the decisions or actions of other people. Everyone should be able to take responsibility for their own decisions and actions.

SOURCE: EI:075

SOURCE: EI LAP 75—It's Up to You (Taking Responsibility for Decisions and Actions)

28. B

It is the only thing that is constant in our lives. Things in life change for everyone. People go to different schools, accept new jobs and promotions, and move to different cities and homes. People get married and divorced. These situations all involve change. While many people embrace positive change, others have a difficult time adjusting to any type of change. Changes also can create many problems for business firms and make it necessary for them to make changes of their own.

SOURCE: EI:026

SOURCE: Lussier, R.N. (2008). *Human relations in organizations: Applications and skill building* (7th ed.) [p. 511]. New York: McGraw-Hill Irwin.

29. A

Cultural sensitivity. Cultural sensitivity involves being aware of, and accommodating to, the differences in the customs, habits, and traditions of a particular group of people. Workers who are employed by international businesses must deal with people throughout the world, and they need to be sensitive to their differences in order to be successful. For example, businesspeople in some countries greet each other with a bow rather than a handshake, while others may hug when they meet. Being sensitive to such differences enables businesspeople to succeed in a global market. Economic nationalism is a type of protectionism that discourages imports. International businesses should not exhibit regional behavior, which may be limiting, in order to be successful in a global market.

SOURCE: EI:033

SOURCE: EI LAP 11—Getting to Know You (Cultural Sensitivity)

30. B

Repeat the revision process. One of the steps of the formal method of reaching a consensus is repeating the revision process. During the formal method, "yes" or "no" questions are not the focus. Rather, the questionnaire uses open-ended questions. Because questionnaires are anonymous, discussing and explaining are not a part of the formal method.

SOURCE: EI:011

SOURCE: EI LAP 19—It's a Group Thing (Consensus Building)

31. C

Good visions have permanent results. A vision is a desire for the future that is achieved over time with determination and hard work. Good visions create positive results and may involve the input of many people over a long period of time. Visions are not based on mission statements, nor do they start out with specific goals. Visions are timeless rather than time bound.

SOURCE: EI:063

SOURCE: Ambler, G. (2013, February 3). *10 characteristics of an effective vision*. Retrieved September 26, 2016, from <http://www.georgeambler.com/10-characteristics-of-an-effective-vision/>

32. A

Make a choice. A person facing a new situation must always make a choice by choosing to adapt or choosing not to adapt. A person cannot always control undesirable circumstances. New situations do not always involve difficult problems. When adapting to a new situation, it is possible to learn from another person's mistakes; however, this does not always occur.

SOURCE: EI:006

SOURCE: EI LAP 23—Go With the Flow (Demonstrating Adaptability)

33. B  
Being flexible. By keeping his team focused on the vision even when outsiders are negative and circumstances are in flux, Paul is demonstrating flexibility. Flexibility is important when working toward a vision because it is a long-term project that will encounter many struggles along the way. In this situation, Paul is not demonstrating listening skills, empathy, or integrity.  
SOURCE: EI:060  
SOURCE: EI LAP 60—Vision Quest (Enlisting Others in Vision)
34. C  
Mental ability. Mental ability refers to an individual's learning and thinking abilities. People are born with different mental abilities. Patrick has a difficult time with math, but he is good at learning languages. Cat finds it hard to learn languages, but she is good at math. This is not an example of a difference in their physical condition, personality, or lifestyle.  
SOURCE: EI:036  
SOURCE: EI LAP 36—Everyone's Worthy (Treating Others With Dignity and Respect)
35. C  
Flexibility. Entrepreneurs must be flexible and adaptable in order for their business or project to succeed. By shaping her own schedule around the needs of her clients, Jenna is showing that she is flexible and customer-oriented. Honesty, initiative, and integrity are all characteristics of good entrepreneurs; however, Jenna is not exhibiting them in this situation.  
SOURCE: EN:040  
SOURCE: Careers-in-business.com. (1997-2009). *Entrepreneurship: Skills and talents required*. Retrieved September 26, 2016, from <http://careers-in-business.com/enskill.htm>
36. D  
Convenience. Credit allows businesses and consumers to pay for several different purchases at one time with a single payment. It reduces the need to carry cash and provides the convenience of ordering by telephone. Collateral is anything of value belonging to the borrower which is pledged to the lender to guarantee that the loan will be repaid. Interest is the fee which lenders charge borrowers for the use of credit. Credit does not provide reassurance or comfort.  
SOURCE: FI:002  
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 380]. Tinley Park, IL: The Goodheart-Willcox Co.
37. B  
Insurance. Insurance provides people or businesses with a guarantee that they will be reimbursed for loss or damage. Jia's monthly insurance payment means that she will be reimbursed if her home is damaged. This is not a payment towards retirement or college. People do not make payments toward wills.  
SOURCE: FI:064  
SOURCE: Mithra, S. (2014). *What is homeowners insurance?* Retrieved September 26, 2016, from <http://www.wisageek.com/what-is-homeowners-insurance.htm>
38. B  
Track the amount of money she has spent. A check is a negotiable instrument or bank draft made payable to a specific party for a specific amount of money. A check serves as a written promise to the check bearer that money is available in the issuer's bank account. Checks are a common form of financial exchange. Both individuals and businesses use checks to pay for goods and services such as rent, utilities, food, and supplies. When writing a check, an individual or business keeps a check register that records information about the transaction. This information includes the date the check is written, to whom the check is made payable, the amount of the check, and the check number. The register is a central location to record and track all of the checks written and the amount of money spent. Check registers do not help the check issuers determine when to add funds to a savings account, understand the checking account's restrictions and fees, or decide when to order new checks.  
SOURCE: FI:069  
SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [p. 159]. New York: McGraw-Hill Irwin.

39. C

Collectibles. Items that gain or lose value over time are collectibles—such as antiques, gems, stamps, dolls, and sports memorabilia. "Collecting" usually involves owning these items, waiting until they become really valuable, and then selling them for a profit. With stocks and stock mutual funds, investors own pieces of corporations or agencies. With real estate investments, investors own property.

SOURCE: FI:077

SOURCE: FI LAP 77—Invest for Success (Types of Investments)

40. A

A record of your monthly income. If you are trying to create a personal budget, you will need a record of your monthly income to know how much you can afford to spend. Your employer's assets and liabilities, as well as your best friend's cell phone bill, are irrelevant. A sample budget may be helpful, but it is not financial information.

SOURCE: FI:579

SOURCE: FI LAP 9—By the Numbers (The Need for Financial Information)

41. B

Make the right decisions. Finance is the process of obtaining funds and using them to achieve the goals of the business. As a result, employees involved in finance often have many decisions to make that affect the company and its customers. Making the right decisions is often difficult because employees try to do what is best for the company and for customers. Being ethical and having ethical standards to follow often helps employees make the right decisions. The role of ethics in finance is not to encourage employees to increase company profits, sell to customers, or prepare operating budgets.

SOURCE: FI:355

SOURCE: Mack, S. (2016). *How are ethics important in the financial industry?* Retrieved September 26, 2016, from <http://yourbusiness.azcentral.com/ethics-important-financial-industry-11003.html>

42. D

Ethical. Ethics are the principles that govern an individual's behavior. During the staffing process, human resources managers are being ethical when they consider only an applicant's or an employee's education and experience, rather than other factors that do not affect the person's ability to do a job. By being ethical, managers are giving all individuals an equal opportunity to obtain employment. Being judgmental involves forming an opinion about an individual that may be incorrect. Being biased involves being prejudiced. Human resources managers who are judgmental or biased are not being ethical. Managers who consider only education and experience are not being inflexible because those are the factors that should be considered during the staffing process.

SOURCE: HR:411

SOURCE: Ingram, D. (2016) *The importance of ethics in human resources*. Retrieved September 26, 2016, from <http://smallbusiness.chron.com/importance-ethics-human-resources-12780.html>

43. C

Optical scanning devices. An optical scanner is an electronic device that copies or reads documents, and then transmits the information into a computer. Using optical scanning devices to summarize marketing-research results saves time because the data do not need to be manually entered into the computer.

Online security systems protect information that is transmitted through or stored on the Internet.

Spreadsheet software programs record and calculate various types of numerical data. Frequency distribution refers to the number of times a specific variable appears in marketing research data.

SOURCE: IM:183

SOURCE: Beal, V. (2016). *Optical scanner*. Retrieved September 26, 2016, from [http://www.webopedia.com/TERM/O/optical\\_scanner.html](http://www.webopedia.com/TERM/O/optical_scanner.html)

44. D  
To make them useful to the business. Data by themselves are just a collection of facts. In order for the data to be useful, the business must analyze, or interpret, the data using graphs, charts, computer programs, or whatever method is appropriate. Making sure the data are accurate is the responsibility of the researcher as s/he collects them. Data analysis is a separate step in marketing research, not part of data collection. Evaluating the data is the final step in marketing research, and it cannot be carried out until after the data are analyzed.  
SOURCE: IM:010  
SOURCE: IM LAP 10—Seek and Find (Marketing Research)
45. D  
Likert. The Likert scale measures the respondents' level of agreement with a statement. The response options might include phrases such as strongly agree, agree, no opinion, disagree, and strongly disagree. The semantic differential scale provides seven spaces that are bound by descriptive antonyms at each end of the scale, such as durable and fragile. The respondent places an "X" at the point or space on the continuum that best describes his/her feelings about the object or idea that s/he is rating. A paired comparison scale asks respondents to make comparisons based on specific circumstances or criterion. Retention is not a type of rating scale.  
SOURCE: IM:286  
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 346-350, 355]. Mason, OH: South-Western Cengage Learning.
46. D  
Primary. Primary information is information collected for the purpose at hand. Because the resort collected feedback for a specific purpose—to obtain its former guests' opinions about its facility and services—it is primary information. Secondary information is information that has already been collected for other purposes. There is not enough information provided to determine if the feedback was collected to support a theory or hypothesis or if the feedback was collected as a preliminary or preparatory step for a larger project.  
SOURCE: IM:422  
SOURCE: Kotler, P., Bowen, J.T., & Makens, J.C. (2010). *Marketing for hospitality and tourism* (5th ed.) [pp. 126-130]. Upper Saddle River, NJ: Prentice Hall.
47. D  
Reach the target market. Demographic information is information about the physical and social characteristics of the population such as age, marital status, income, etc. Businesses often maintain current demographic information to make decisions about the most effective strategy to use to reach the target market, which is the particular group of customers a business seeks to attract. By monitoring demographic information, businesses are able to detect changes in the target market and revise the marketing strategy to remain effective. Demographic information does not help businesses to make decisions about the most effective strategy to use to analyze the economy, negotiate with suppliers, or purchase new equipment.  
SOURCE: IM:184  
SOURCE: IM LAP 184—Data Diving (Identifying Marketing Data)
48. C  
Toward the end of the interview. By asking potentially sensitive questions toward the end of an interview, the researcher can avoid having the participant cut off the interview before important information can be collected. By asking the questions at the beginning, in the middle, or throughout the interview, the researcher risks prematurely ended interviews.  
SOURCE: IM:418  
SOURCE: Agriculture and Consumer Protection. (n.d.). *Chapter 4: Questionnaire design*. Retrieved September 26, 2016, from <http://www.fao.org/docrep/W3241E/w3241e05.htm>



49. D

Animated backgrounds. The use of animated backgrounds appeals to young professionals, whereas older professionals would prefer having clear, concise information. Pictures and concise information appeal to all audiences. Using different backgrounds on each slide makes the presentation appear "busy."

SOURCE: IM:386

SOURCE: Reynolds, G. (2016). *Top ten slide tips*. Retrieved September 26, 2016, from <http://www.garreynolds.com/preso-tips/design/>

50. B

Concise and objective. A questionnaire is a set of written questions designed to gather information. So that a business can obtain the most reliable information possible, questionnaire developers should make sure that the questionnaire is clear, concise, and objective, or free of bias. If the questionnaire is designed in a way that it is ambiguous (vague), complex, or adaptable, the business risks not obtaining reliable data.

SOURCE: IM:293

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 292). Columbus, OH: Glencoe/McGraw-Hill.

51. A

Problem solver. Of the options given, problem solver is the term that best represents marketing's role in society. Marketing connects producers to customers by solving customers' problems. Pioneers lead and peacemakers make peace—with or without being involved in marketing or its role in society.

SOURCE: MK:001

SOURCE: MK LAP 4—Have It Your Way! (Nature of Marketing)

52. D

Consumers need tangible characteristics as "signals" of quality before they buy. Consumers are uncertain about the quality of an intangible like a service and are reassured by tangible characteristics. Service marketers understand that consumers draw conclusions about service quality—and consequently make purchase decisions—based on things they can see: place, people, price, equipment, and communications. Consumers need "sizzle" in a variety of purchases they make—something that isn't limited to services. Solid propositions or offers can be made in the "intangible" services arena, as well as in more tangible areas. Returns are not the reason consumers are drawn to services with some tangible qualities.

SOURCE: MK:008

SOURCE: Lovelock, C., Wirtz, J., & Chew, P. (2009). *Essentials of services marketing* (pp. 11, 24). Singapore: Prentice Hall.

53. A

The anticipated economic recovery did not occur. This would indicate that the current sales forecast is probably off target, since it would have been based on the anticipated recovery. Sales forecasts should be prepared according to the needs of the business based on how much the firm sold in the previous year. They should be adjusted as necessary for any changes in the firm's marketing plan or in the economy. The other alternatives are aspects of a marketing plan that appear to be stable.

SOURCE: MP:013

SOURCE: MP LAP 5—Futurecast (The Nature of Sales Forecasts)

54. D

Comparing the information with other articles about the topic. When other articles from reputable sources confirm the information from the original article, the information in the original article is more likely to be reliable. Evaluating the author's writing style, gathering internal reports from the company's database, and asking others for their opinions are not actions that will verify the reliability of the article's information.

SOURCE: NF:079

SOURCE: Cooper, M. (n.d.). *How to determine the validity of a research article*. Retrieved September 26, 2016, from [http://www.ehow.com/how\\_5035804\\_determine-validity-research-article.html#](http://www.ehow.com/how_5035804_determine-validity-research-article.html#)

55. A

Copyright. Copyright is the legal protection of books and other artistic works granted by government and gives their creators sole rights to them for a certain period of years. If a business uses information that is copyrighted without obtaining permission from the copyright holder, the business is violating copyright laws. Copyright infringement is a legal issue because businesses can be sued and required to pay a substantial penalty. Patent, trademark, and contract laws do not involve the use of information.

SOURCE: NF:076

SOURCE: Tysver, D. (1996-2015). *Copyright law in the United States*. Retrieved September 26, 2016, from <http://www.bitlaw.com/copyright/>

56. B

Decision-making process. Businesses need to make many decisions on a daily basis that affect the success of the business. To help with the decision-making process, they develop and use information systems, which are methods of gathering, storing, and analyzing data. For example, an information system might store data about current customers and be able to analyze that data to provide information about buying behavior and product preferences. A business can use this information to decide whether to modify products or change its promotional approach. Businesses do not develop and use information systems to help with the public-relations effort, the internal communication plan, or the new recruitment system.

SOURCE: NF:083

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 658). Columbus, OH: Glencoe/McGraw-Hill.

57. C

Quotation marks. A search engine is a software program that automatically crawls the Web looking for information pertaining to specified search terms and displays a list of results. To narrow the scope of the information that the search query returns, Eli should place quotation marks around the specific phrase, such as "International Internet Marketing Association." By using quotation marks, the search will return results with those words in the exact way the researcher enters them, which narrows the scope of the returned results. Asterisks, the number sign, and the equal sign are not keystroke options that will narrow online search results.

SOURCE: NF:006

SOURCE: Google.com. (n.d.). *How to search on Google*. Retrieved September 26, 2016, from <https://support.google.com/websearch/answer/134479?hl=en>

58. B

Manage all aspects of the operation. Integrated software application packages allow businesses to manage all aspects of the operation, including planning sales, marketing, etc. For example, businesses can monitor the manufacturing process to track the level of inventory to know when products will be available to ship to customers and then generate invoices. Word processing software is used to develop research reports. Spreadsheet programs are used to prepare routine budgets. These programs, as well as programs that enable businesses to search the Internet, may be combined in an integrated software application package.

SOURCE: NF:088

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 219). Columbus, OH: Glencoe/McGraw-Hill.

59. B

Compare variables. A chain of hotels might analyze and interpret the marketing information contained in databases in order to compare several variables that change from property to property. For example, one hotel might be located in an affluent suburb while another one is located in an urban area. The chain might analyze the information in its database concerning both communities in order to make appropriate marketing decisions such as the type of services to offer in each location. Although the chain provides the same type of goods and services to both communities, it needs to analyze data in order to know if the consumers in each community have different wants and needs. Before analyzing databases to compare variables, a chain of hotels might survey guests and tabulate the findings. A chain would not analyze databases in order to organize products.

SOURCE: NF:185

SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [p. 614]. Mason, OH: South-Western Cengage Learning.

60. B

Forecast sales. An invoice is the formal, printed record of a sale that includes all necessary information as to the buyer, the seller, items purchased, amounts, prices, delivery date, credit or discount terms, etc. By analyzing past sales records such as invoices, a business can determine what its customers are buying, when they are buying, and how much they are buying. This helps a business to forecast future sales so it can be prepared to offer the products that customers want. Businesses do not review their invoices to evaluate ideas, execute promotions, or improve service.

SOURCE: NF:002

SOURCE: Burrow, J.L. (2012). *Marketing* (3rd ed.) [pp. 562-563]. Mason, OH: South-Western, Cengage Learning.

61. D

Developing tour products specifically designed to appeal to retirees. Demographics are the physical and social characteristics (e.g., age, gender, education) of a population or market segment. Businesses consider demographic trends because changes in the population have an effect on the existing and potential products they market. Because trends indicate that a large segment of the population is aging and reaching retirement, hospitality/tourism businesses are developing products to attract retirees who are no longer in the workforce and have more time to travel. Tour products designed for retirees would not likely appeal to recent college graduates, families with young children, or business travelers.

SOURCE: NF:013

SOURCE: Feigenbaum, E. (2016). *Definition of business trends*. Retrieved September 26, 2016, from <http://smallbusiness.chron.com/definition-business-trends-3399.html>

62. D

To minimize loss. Some equipment and machinery may be complicated to operate. Consequently, employees should follow the instructions when using the equipment and machinery to avoid damaging or breaking it, or injuring themselves. If employees are injured, they may not be able to work, which results in a loss for the business. Also, repairing or replacing damaged equipment may be expensive, which results in another loss for the business. The intent is not to speed up production or increase output by following instructions when using equipment and machinery, but to maintain production and output at an appropriate and safe level. Following instructions will not necessarily decrease overtime.

SOURCE: OP:006

SOURCE: Durham, J. (2012, August 29). *The importance of clear instructions to keep safe*. Retrieved September 26, 2016, from <http://www.workplacesafetyadvice.co.uk/the-importance-of-clear-instructions-to-keep-safe.html>

63. B

Robbery. Robbery is theft that involves the use of force, violence, or fear. Businesses such as banks that have large amounts of cash on hand are often common targets for robbery. Robbers generally approach the employee who has access to cash and force that person to empty the safe or cash drawer. Pilferage is theft of small sums of money or inexpensive items. Fraud is deceiving or cheating an individual or a business out of money or property. Shoplifting is theft of goods by customers.

SOURCE: OP:013

SOURCE: Besch, M. (2015, April 15). *Think like a thief: How to prevent robberies at your bank*. Retrieved September 26, 2016, from <https://arca.com/resources/blog/think-like-a-thief-how-to-prevent-robberies-at-your-bank>

64. A

Increased risk of theft. Businesses establish different types of security procedures to protect their assets—equipment, inventory, facilities, money, information, and employees. Businesses need to communicate these security procedures to employees so the employees know what they need to do to maintain a secure work environment. If employees do not follow security procedures, the risk of security breaches occurring increases. For example, an employee who does not properly lock the cash drawer increases the risk of robbery. If employees fail to lock the warehouse doors at the end of business hours, the risk of theft increases. If a security breach occurs, the business may experience financial losses (e.g., stolen money, goods, and equipment). Employees follow safety procedures to reduce the risk of accidents in the workplace. Financial losses may decrease if businesses train their employees to identify counterfeit paper money at the point of sale.

SOURCE: OP:152

SOURCE: Atkins, I. (2016, June 27). *How to reduce retail theft in your business*. Retrieved September 26, 2016, from <http://fitsmallbusiness.com/reduce-retail-theft/>

65. B

Planning. A project is any type of undertaking or task that has a distinct beginning and end. A project plan is a specific course of action (plan) for accomplishing the project's objectives. Project planning is the process of determining which resources (human, financial, materials) the business needs to complete the project and how those resources will be used. The advantage to project planning is that the business is more likely to achieve the project's objectives because the planner has obtained the necessary resources to complete the project before starting to work on it. Examples of projects that businesses plan might include training programs, marketing research, information analysis, and inventory control.

SOURCE: OP:001

SOURCE: Project Management Institute (2013). *A guide to the project management body of knowledge: PMBOK guide* (5th ed.) [pp. 53-54]. Newtown Square, PA: Project Management Institute.

66. D

Product testing. Product testing is a quality control method that businesses use to evaluate the durability and safety of their goods. The businesses use the testing results to take corrective action and improve product weaknesses. The automobile company is not conducting random inspections of products, classifying product materials, or sampling commodities.

SOURCE: OP:164

SOURCE: Manda, G. (2011, January 12). *How to select quality control measures?* Retrieved September 26, 2016, from [http://www.ehow.com/how\\_7761890\\_select-quality-control-measures.html](http://www.ehow.com/how_7761890_select-quality-control-measures.html)

67. C

Postage, taxes, and insurance. Overhead costs are expenses that businesses incur so they can perform their day-to-day operations. Postage, taxes, insurance, utilities, subscriptions, supplies, and rent are examples of overhead costs. Dividends and sales are sources of income for an individual or business.

SOURCE: OP:024

SOURCE: Scheid, J., & Bowen, R. (2010, September 3). *A quick look at overhead costs: Common examples*. Retrieved September 26, 2016, from <http://www.brighthub.com/office/finance/articles/85753.aspx>

68. B

Buyers. Since employees with buying responsibilities are spending the company's money for resale items or items to be used in the business, they are in a good position to help the business control expenses. Buyers should take advantage of discounts, negotiate favorable shipping terms, and choose vendors who fill orders accurately and deliver on time. Effective buyers often are able to save a business a significant amount of money. Stockers, designers, and trainers are not in as good a position as buyers to help a business control expenses because they do not have direct responsibility for spending the company's money.

SOURCE: OP:025

SOURCE: OP LAP 5—Buck Busters (Employee Role in Expense Control)

69. C

Follow appropriate emergency procedures. Motels must be prepared to handle emergencies if they occur. Depending on the property's geographic location, the property might be more likely to experience some emergencies (e.g., earthquakes, floods) than others. And because the effects of natural disasters differ from one another, motels should have procedures for the various types of emergencies they are likely to encounter. A motel should thoroughly explain to employees the procedures for each emergency it might face. By preparing employees for each type of emergency, the employees can better respond and get guests, themselves, and coworkers out of harm's way. The sprinkler system usually goes off automatically when fires occur. Calling medical professionals and administering first aid may or may not be necessary and depends on the type of emergency at hand.

SOURCE: OP:119

SOURCE: AlBattat, A.R., & Som, A.P.M. (2014, September 2). *Safety security and loss prevention during hospitality emergencies*. Retrieved September 26, 2016, from <http://www.drj.com/articles/online-exclusive/safety-security-and-loss-prevention-during-hospitality-emergencies.html>

70. D

Hygiene. In any given day, the habits and practices you do to take care of yourself and your body are called hygiene. Hygienic practices such as brushing your teeth after meals and showering daily are important to your overall personal appearance. Although relaxation and meditation may be activities that promote health, they do not describe the overall habits of taking care of your body. Likewise, education is not a habit or practice of good health.

SOURCE: PD:002

SOURCE: PD LAP 5—Brand ME! (Personal Appearance)

71. D

Brainstorming. Brainstorming is the most useful problem-solving method when more than one person is involved. In a brainstorming session, members of the group throw out ideas and possible solutions to the problem. All ideas are welcome, and every point of view is valuable. Someone records all the ideas so that when the session is over, the group can review them and decide which ones might work best. The seven-step method requires problem solvers to follow a specific process for solving problems. It includes brainstorming, but that is only one of the seven steps. The intuitive method relies on gut feeling and flashes of insight. Finding the root of the problem is a simple method that identifies the source of the problem so it can be fixed. None of these three methods is described in this situation.

SOURCE: PD:077

SOURCE: PD LAP 77—No Problem (Demonstrating Problem-Solving Skills)

72. B

Communications and media. This field involves jobs in radio, television, motion pictures, printing, publishing, photography, and communication systems. Many of the jobs require skills in speaking and writing as well as the ability to work with others and develop new ideas. A variety of clerical skills are necessary for the business and office field. Personal services involves helping others and includes jobs in many service industries. Health and fitness includes jobs in the medical field, diet and exercise facilities, and physical therapy.

SOURCE: PD:023

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 7-9]. Upper Saddle River, NJ: Pearson Prentice Hall.

73. A

Print the requested information in black ink. Printing is generally more legible than cursive writing; therefore, it is preferable to print responses on an application form. Since black ink duplicates well, applicants should use a pen with black ink to complete application forms. Job applicants should respond to all questions so that a potential employer knows that questions have not been overlooked. If a question does not apply, write "NA" in the blank. Applicants should not fill out parts of a job application form that are labeled "for employer use only." Those sections are reserved for the employer. A discussion of salary requirements should be reserved for the interview; therefore, write "open" or "negotiable" when that information is requested on application forms.

SOURCE: PD:027

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 900-901). Columbus, OH: Glencoe/McGraw-Hill.

74. B

Event planner. Convention centers, hotels, restaurants, and other types of businesses hire and employ event planners to coordinate many types of events including fundraisers, wedding receptions, trade shows, and business meetings. To ensure that their clients have everything they need for successful events, event planners should be organized and detail-oriented. A restaurant chef develops the menu, prepares entrées, and manages the kitchen staff. A purchasing agent locates, negotiates, and buys goods and services for the business. An accounting manager supervises the accounting function's staff and activities.

SOURCE: PD:272

SOURCE: Remenyi, R.L. (2016). *Event planner job description*. Retrieved September 26, 2016, from [http://www.ehow.com/about\\_5396968\\_event-planner-job-description.htm](http://www.ehow.com/about_5396968_event-planner-job-description.htm)

75. C

Seattle Metropolitan Chamber of Commerce. The Seattle Metropolitan Chamber of Commerce is an example of a business alliance organization that operates at a local level. The purpose of the chamber of commerce is to unite individuals and different types of businesses at the local level (e.g., Seattle, Washington, USA). The organization's members work together to influence policy, advocate issues, and solve common problems. The International Federation of Social Workers consists of members throughout the world. The Small Business Administration is a U.S.-based government agency created to assist small businesses. The National Restaurant Association is a nationwide professional organization whose members work in the restaurant industry.

SOURCE: PD:036

SOURCE: Seattle Metropolitan Chamber of Commerce. (2016). *About us*. Retrieved September 26, 2016, from <http://www.seattlechamber.com/home/about>

76. B

Output. A manager sets different types of goals for employees to help the business achieve its organizational goals. An output goal is a type of performance goal. In the situation described, the manager set a goal for sales representatives to process a certain number of orders within a specific time frame, which involves the sales representatives' performance on the job, or their output. Improvement goals focus on performing work better or more efficiently. Personal goals are goals that you set for yourself. Supplementary goals are additional or extra goals.

SOURCE: PD:255

SOURCE: Lloyd, K. (n.d.). *Managing employees: Two types of employee goals*. Retrieved September 27, 2016, from <http://www.dummies.com/how-to/content/managing-employees-two-types-of-employee-goals.html>

77. C

Eliminates competition. Loss-leader pricing involves selling a product below cost. Businesses that use loss-leader pricing usually do so to attract customers who then will buy additional items at the regular price. Loss-leader pricing may be illegal if the prices are so low that competition is eliminated. However, the laws covering loss-leader pricing are seldom enforced because consumers benefit from the low prices. Loss-leader pricing is a form of discounting. It is not considered illegal if it creates excessive profit or targets one market.

SOURCE: PI:017

SOURCE: Investopedia. (2016). *Loss leader strategy*. Retrieved September 27, 2016, from <http://www.investopedia.com/terms/l/lossleader.asp>

78. C

To prevent technical barriers to trade. By establishing worldwide industry standards, technical barriers to trade are minimized because products meet the same standards. This encourages competition between countries and increases markets. Standards also economically assist developing countries by improving productivity, market competitiveness, and export capability. International standards do not affect patents, copyrights, or trademarks.

SOURCE: PM:019

SOURCE: International Organization for Standardization. (2016). *Benefits of international standards*. Retrieved September 27, 2016, from <http://www.iso.org/iso/home/standards/benefitsofstandards.htm>

79. D

To avoid legal liabilities. Product liability has become a major problem for many companies. Rather than risk a lawsuit, a company will remove the product from its product mix. The use of an expansion strategy will enable companies to appeal to a new market and to offer customers complementary products. Increasing market risk is a disadvantage associated with the contraction strategy.

SOURCE: PM:003

SOURCE: PM LAP 3—Mix and Match (The Nature of the Product Mix)

80. D

The competition. Positioning shows where a product stands in relation to the competition. It's meant to help customers understand how the product is unique from all the other options. Positioning does not relate to marketers' expectations, past performance, or government standards.

SOURCE: PM:042

SOURCE: PM LAP 19—Getting Piece of Mind (Factors Used to Position Products/Services)

81. B

The Regency Hotel because it is the only hotel in Portland that offers childcare services. A competitive advantage is the edge achieved by a business that offers something better than the competition. The Regency Hotel differentiates itself from other hotels by being the only hotel in the city to provide childcare services for guests, which provides it with a competitive advantage. Many hotels are located near major highways and have full-service restaurants and indoor swimming pools. There is not enough information provided to determine if these options provide their guests with something unique that give the hotels a competitive advantage.

SOURCE: PM:246

SOURCE: Investopedia. (2016). *Competitive advantage*. Retrieved September 27, 2016, from [http://www.investopedia.com/terms/c/competitive\\_advantage.asp](http://www.investopedia.com/terms/c/competitive_advantage.asp)

82. D

Product extension. A product extension is a good or service added to an existing product line or product category that relates to, but differs from, the main product. Because both product lines provide hospitality services, they are related. The chain's two products differ because the new product markets to destination travelers and businesspeople who golf, while the original product markets to businesses and convention attendees. Cannibalization exists when the sale of one of the company's products takes away sales from another of its products. Because the products attract different markets, it is unlikely that cannibalization will occur after the golf resorts are up and running. The hotel chain is not restructuring its organization. The hotel is not entering into a franchise arrangement, which is a contractual agreement between a parent company and a franchisee to distribute goods or services.

SOURCE: PM:099

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 640). Woodland Hills, CA: Glencoe/McGraw-Hill.

83. A

Promotion. Promotion is the communication of information about goods, services, images, and/or ideas. One of the purposes of promotion is to link buyers and sellers. Promotion informs consumers about the goods and services offered by sellers and encourages buying. Research is gathering, analyzing and interpreting information about a specific question or problem. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives. Distribution is all the activities involved in moving or transferring the ownership of goods or services from producers to consumers.

SOURCE: PR:001

SOURCE: PR LAP 2—Razzle Dazzle (Nature of Promotion)

84. A

Print. Newspapers and magazines are the print media most widely used by advertisers to reach their target audiences. Broadcast media are promotional media such as radio and television which use radio waves to reach consumers. Outdoor media are out-of-home media which may include billboards, blimps, electric spectaculars, and skywriting. Transit media are out-of-home media found in various modes and locations of mass transportation.

SOURCE: PR:007

SOURCE: PR LAP 3—Ad-quipping Your Business (Types of Advertising Media)

85. A

Niche catalogs. These specialized catalogs focus on lifestyles and hobbies and can target specific customers by using a database. Box-holder flyers are generally used to promote a business in a local area, thus not reaching the audience sought by this retailer. Cable television shopping channels usually carry well-known brands and usually require a large amount of inventory in stock to meet demands of the customers. Computer kiosks are free-standing units that are located in stores or malls for consumers to request information and order merchandise.

SOURCE: PR:089

SOURCE: O'Guinn, T.C., Allen, C.T., & Semenik, R.J. (2009). *Advertising & integrated brand promotion* (5th ed.) [p. 211]. Mason, OH: South-Western Cengage Learning.

86. D

High-speed Internet connection. Streaming media are sound, video, or animations that play in real time. Email is capable of delivering streaming media, such as videos, when the recipient opens the message or clicks on a "play" button. For streaming video to work properly, the recipient needs a high-speed Internet connection. Streaming media do not require the recipient to have cloud-computing capabilities, a sophisticated computer keyboard, or a complicated operating system.

SOURCE: PR:165

SOURCE: Weedmark, D. (2016). *What is the minimum mbps needed for streaming?* Retrieved September 27, 2016, from <https://www.techwalla.com/articles/what-is-the-minimum-mbps-needed-for-streaming>



87. C

Filling a web page with irrelevant key words. Doing this helps to improve the ranking of the website in search engines; however, customers are not obtaining anything of value. Ultimately, businesses sponsor websites to make money. Phishing is an illegal activity in which someone pretends to be a trustworthy business so that s/he can obtain another person's confidential information. It is most often used through email and instant messaging. To overcome phishing, some businesses are requiring their customers to select a personal image that they display when they access password protected sites.

SOURCE: PR:361

SOURCE: Miller, C. (2011, February 10). *Web words that lure the readers*. Retrieved September 27, 2016, from <http://www.nytimes.com/2011/02/11/business/media/11search.html?src=busIn>

88. A

Crosshatching. By crisscrossing lines, the graphic artist could depict texture. Shading is used to show shadows, while highlighting is used to put light on objects. Sketching is the process of drawing quickly.

SOURCE: PR:334

SOURCE: Artyfactory.com. (2013). *Creating tone and texture with crosshatching*. Retrieved September 27, 2016, from [http://www.artfactory.com/pen\\_and\\_ink\\_drawing/pen\\_and\\_ink\\_drawing\\_6.htm](http://www.artfactory.com/pen_and_ink_drawing/pen_and_ink_drawing_6.htm)

89. C

Highlights a specific element. Color is an important part of the composition of a print ad. The various colors in an ad need to go together, or be in harmony, for the ad to be visually appealing. In some cases, one color is used to highlight a specific element of the ad, such as the business's name which is associated with a specific color. However, the other colors in the ad need to be in harmony with the highlight color. For example, shades of brown and white go well with a highlight color of orange. Color harmonies in a print ad do not create informal balance, develop logical sequence, or always emphasize the advertiser's logo.

SOURCE: PR:314

SOURCE: Kaminska, P. (2014, October 14). *The impact of color in advertising, marketing, and design*. Retrieved September 27, 2016, from <https://www.blurgroup.com/blogs/group/the-impact-of-colour-in-advertising-marketing-and-design/>

90. D

Amplified. Word-of-mouth marketing occurs when customers tell others of their satisfaction with a particular business. Amplified word-of-mouth marketing takes place when marketers purposely encourage their customers to share information about a business with others in their community. Clara's Pizza Parlor, for example, deliberately asks visitors to its website to send information about the restaurant—in the guise of a postcard—to their families and friends. Organic word-of-mouth marketing is another word-of-mouth strategy. Organic word-of-mouth marketing occurs when satisfied customers voluntarily tell people around them about a business that they like, without the business prompting them to do so. Celebrities are sometimes used as a word-of-mouth strategy, but that is not true of this example. Inconspicuous word-of-mouth marketing is a fictitious term.

SOURCE: PR:319

SOURCE: Entrepreneur. (2016). *Word-of-mouth advertising*. Retrieved September 27, 2016, from <https://www.entrepreneur.com/encyclopedia/word-of-mouth-advertising>

91. C

Asking for referrals. Referral programs help businesses get leads on new business from existing customers. One way to obtain a referral is by asking existing clients/customers. The travel agency is more likely to obtain referrals by offering incentives to clients because the clients get something in return. The travel agent is not bribing a vendor or promoting a charitable cause. There is not enough information provided to determine if the travel agent earns a commission.

SOURCE: PR:277

SOURCE: Lewis, K. (2012, February 2). *Five steps to generating better business referrals*. Retrieved September 27, 2016, from <http://www.forbes.com/sites/kernlewis/2012/02/02/five-steps-to-generating-better-business-referrals/>

92. D

Product placement. For the audience, the billboard is an example of product placement. Product placement is the inclusion or mention of a product in a movie or television show. InterContinental would have paid to have the billboard featured in the new movie. For the actors, the billboard is out-of-home advertising. Personal selling involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Special events are planned activities used to generate sales.

SOURCE: PR:323

SOURCE: Neer, K. (1998-2016). *How product placement works*. Retrieved September 27, 2016, from <http://money.howstuffworks.com/product-placement.htm/printable>

93. A

Elements in advertisements. The headline, illustrations, copy, and signature are the main elements in advertisements. It is important that all of the elements be coordinated to create an effective ad that will attract readers. One way to coordinate the elements is to make sure that they promote the same theme. The intent is for each element to reinforce the others and strengthen the message of the ad. Making sure that the headline, illustrations, and copy promote the same theme is not an example of coordinating principles of design, channels of communication, or arrangements in print.

SOURCE: PR:251

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 423-428). New York: Glencoe/McGraw-Hill.

94. D

Community outreach activities. When hospitality and tourism businesses participate in community outreach activities, local residents learn of their participation often because of media coverage. As a result of the media exposure, local residents may become loyal customers because they appreciate what the businesses are doing for the community. For example, if businesses donate a percentage of sales to local charities, residents are encouraged to buy from those businesses because the money is going back to the community. Businesses do not build customer loyalty by participating in service-quality programs, marketing research studies, or industry-related meetings.

SOURCE: PR:341

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 134-136). New York: Glencoe/McGraw-Hill.

95. C

Business services and policies. By establishing desirable business policies and services, a company provides an environment which helps to build a loyal clientele and to create goodwill. Quality maintenance and repair, clear warranties and guarantees, and written instruction manuals are all examples of business policies or services that cultivate client loyalty.

SOURCE: SE:828

SOURCE: SE LAP 115—Keep Them Loyal (Key Factors in Building Clientele)

96. A

Increase personal efficiency. Because laptop computers are portable, salespeople can access them at any time to write sales-call reports, check inventory levels, track leads, develop professional contacts, follow up on orders, etc. This increases a salesperson's personal efficiency level because s/he does not need to go back to the office or go home to complete tasks associated with the selling function. Using a laptop computer to track leads, write sales-call reports, and check inventory levels does not help a salesperson to motivate sales-support staff, develop personal contacts, or evaluate sales incentives.

SOURCE: SE:107

SOURCE: Duggan, T. (2016). *How to use computers to increase management efficiency*. Retrieved September 27, 2016, from <http://smallbusiness.chron.com/use-computers-increase-management-efficiency-41334.html>

97. D

Facts. Facts are true statements. During the selling process, a salesperson must carefully communicate product information to customers, so that the customers do not confuse the facts about a product with the salesperson's opinion. For example, when a salesperson says, "This product is the best item on the market," s/he is expressing an opinion rather than stating a fact. If a customer purchases the product on the basis of this statement, and finds that the item does not work properly, the salesperson and the business might be liable for misrepresenting the product. Skills are abilities to perform tasks that are developed through knowledge, training, and practice. Incompetence is inability to do a task correctly, and indifference is an attitude.

SOURCE: SE:108

SOURCE: The State of Queensland. (2016). *Knowing your products and services*. Retrieved September 27, 2016, from <https://www.business.qld.gov.au/business/running/sales-customer-service/sales-skills/knowning-products-services>

98. C

Physiological. Physiological needs are the basic human desires needed to sustain life and the first level of needs in Maslow's Hierarchy of Needs. These basic needs include the need for food, water, and shelter. People are motivated to buy the products they need to live before they consider buying other products. Once people satisfy their basic needs, they are motivated to buy products to satisfy security needs, esteem needs, and finally, self-actualization needs.

SOURCE: SE:359

SOURCE: NetMBA.com. (2010). *Maslow's hierarchy of needs*. Retrieved September 27, 2016, from <http://www.netmba.com/mgmt/ob/motivation/maslow/>

99. A

Makes shopping easier and faster. This is a customer benefit of the use of substitute selling. Substitute selling benefits the business by completing sales that would have been lost if an acceptable substitute had not been suggested to the customer. Increased sales result in increased profits. The business's reputation is also enhanced when efforts are made to satisfy customers' needs with substitutes when the requested product is not available.

SOURCE: SE:114

SOURCE: SE LAP 111—Get Specific (Recommending Specific Product)

100. B

Strategic planning. Strategic planning is long-range planning (three to five years) for the company as a whole. Strategic planning is one of the major responsibilities for top-level managers. Tactical planning is short-range planning (one year) and is usually the responsibility of middle management. Day-to-day planning is the responsibility of first-line, or supervisory, management.

SOURCE: SM:001

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