



SAMPLE EXAM

MARKETING CAREER CLUSTER

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

FASHION MERCHANDISING AND MARKETING

MARKETING MANAGEMENT

SALES MANAGEMENT MEETING

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

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1. Why do businesses with excessive debts often file Chapter 7 bankruptcy?
 - A. To consolidate
 - B. To liquidate
 - C. To refinance
 - D. To reorganize

2. Most nations' federal agencies must function within certain limits identified in the specific enabling legislation that gave the agencies their powers. These limits on the federal agencies' activities are an example of
 - A. informational control.
 - B. political control.
 - C. judicial review.
 - D. statutory control.

3. Agents are usually hired to perform channel functions for
 - A. distributors.
 - B. wholesalers.
 - C. retailers.
 - D. producers.

4. What advantage do distribution channel members have in using satellite technology?
 - A. Ensures accurate order processing
 - B. Increases manufacturing outputs
 - C. Offers real-time shipment tracking
 - D. Provides transportation flexibility

5. Which of the following is a legal example of exclusive dealing:
 - A. A small manufacturer enters a new market.
 - B. A wholesaler requires a tying agreement.
 - C. A company has substantial market share.
 - D. A business limits competition with closed territories.

6. Customer satisfaction, employee contentment, and profit can be directly linked to
 - A. prestigious pricing strategies.
 - B. paying higher wages than competitors.
 - C. ethical business practices.
 - D. automated distribution centers.

7. Which of the following is an example of a business that is coordinating marketing activities with channel members:
 - A. A business's public relations department develops a press release that provides details about its new product line.
 - B. A corporation's marketing department develops a schedule for print advertisements that it wants to place in local newspapers.
 - C. A senior buyer for a construction firm conducts online research to determine which suppliers meet the company's quality standards.
 - D. A wholesaler follows up with a producer to ensure that it will ship products to arrive in time for a retailer's scheduled promotion.

8. Which of the following is likely to occur if the Concord Manufacturing Company regularly bypasses its wholesaler and sells directly to retailers:
 - A. Communication improvements
 - B. Marketplace enhancements
 - C. Vertical conflicts
 - D. Pilferage issues

9. Before DiAnn presents her new idea to her boss, she searches the Internet and jots down two statistics that reinforce the idea. This is an example of
 - A. supporting ideas with evidence.
 - B. obtaining primary information.
 - C. giving alternative ideas.
 - D. clarifying a new idea.

10. Elizabeth is giving a speech about Abraham Lincoln. She starts with his early political life, moves on to his time as president, and then ends with his death. What common organizational pattern is she using for her speech?
 - A. Topical
 - B. Chronological
 - C. Spatial
 - D. Cause-and-effect

11. Which of the following types of messages presents evaluative information:
 - A. Complex
 - B. Explanatory
 - C. Simple
 - D. Analytic

12. Pat is presenting the yearly financial figures to the board of the YG Corporation. To make the figures more appealing and easier to follow, Pat might want to use a _____ to present the information.
 - A. bar chart
 - B. calculator
 - C. heat map
 - D. geographic data map

13. What is one technique that businesses can use to build positive customer/client relations?
 - A. Conducting research
 - B. Resisting change
 - C. Buying advertising
 - D. Being consistent

14. What should salespeople avoid doing when handling customer complaints?
 - A. Discussing the problem
 - B. Listening carefully
 - C. Arguing politely
 - D. Empathizing with the customer

15. Which of the following statements about economic resources is true:
 - A. As capital goods and human resources become limited, natural resources become limited.
 - B. As natural and human resources become limited, capital goods become limited.
 - C. As human resources become limited, natural resources and capital goods become limited.
 - D. As capital goods and natural resources become limited, human resources become limited.

16. What step can an organization take that will help it adapt quickly to changes in the marketplace?
 - A. Update product information
 - B. Develop contingency plans
 - C. Encourage obsolescence
 - D. Overlook employee input

17. The dependency of some jobs on physical climatic conditions involves specialization of
 - A. natural resources.
 - B. capital goods.
 - C. resources.
 - D. human resources.

18. According to the law of diminishing returns, continuing to hire additional employees will eventually cause the workers' individual production level to
- level off.
 - decrease.
 - increase.
 - remain unchanged.
19. When minimally skilled workers lose their jobs due to technological advancements that require specialized skills, what type of unemployment exists?
- Frictional
 - Seasonal
 - Structural
 - Cyclical
20. Which of the following statements regarding requirements for international business travel is accurate:
- An official passport is typically required to visit and conduct business in foreign countries.
 - An official passport and visa are typically required to visit and conduct business in foreign countries.
 - An official passport, visa, and vaccinations are typically required to visit foreign countries.
 - Only a visa is typically required to visit and conduct business in foreign countries.
21. Melanie's parents could not afford to go to college, so one of Melanie's priorities is to get her degree. This is an example of how
- Melanie should have assessed her values.
 - Melanie's values came from her personality.
 - values do not impact behavior.
 - family can be a source of values.
22. Which approach to fairness includes treating people consistently regardless of their individual characteristics, traits, and circumstances?
- Equality
 - Justice
 - Empathy
 - Generosity
23. How does being accountable help you tolerate ambiguity?
- Accountability helps you assume the worst and be unable to accept what you cannot control.
 - Being accountable makes it easier for you to adapt to changes.
 - Being accountable allows you to feel less stressed in challenging situations.
 - Accountability helps you own your decision-making and handle the repercussions of your decisions.
24. When determining your personal vision, it is important to
- exaggerate about your true skills and abilities.
 - consider the opinions of people who are important to you.
 - underestimate your potential accomplishments.
 - be realistic about your strengths and weaknesses.
25. Last month, Monica used her Old Navy credit card to purchase \$200 worth of clothing and accessories. When Monica received the bill, it stated that she had to make a minimum payment of \$20. This is an example of a(n) _____ credit account.
- revolving
 - installment
 - budget
 - service

26. Each year, Marla must pay a certain percentage of the value of her home to the local government. Which of the following is the tax liability Marla is responsible for paying:
- A. Property
 - B. Excise
 - C. Sales
 - D. Income
27. What is one way you can prevent identity theft?
- A. Only give out personal information when the other person initiated the contact.
 - B. Memorize your social security number, and keep your card at home.
 - C. Throw away all credit card statements, receipts, and credit offers.
 - D. Only give out personal information to someone who says s/he works for a legitimate company.
28. A primary reason that governments regulate the ways in which businesses must report financial data is to
- A. ensure transparency.
 - B. eliminate mistakes.
 - C. reduce taxes.
 - D. stimulate market growth.
29. Which of the following is a capital investment decision:
- A. How to finance investments
 - B. How to handle accounts payable
 - C. How to manage cash flow
 - D. How to manage inventory
30. Which of the following is true of corporate fundraising:
- A. Internet fundraising is exempt from regulations.
 - B. Fundraising laws apply only to fundraising events.
 - C. Nonprofits do not have to follow fundraising laws.
 - D. All business must comply with fundraising laws.
31. A well-prepared new employee orientation program should
- A. outline the employer's specific financial goals.
 - B. communicate the employer's philosophy and expectations.
 - C. verify the new employees' job qualifications.
 - D. set aside time to negotiate the employees' salary requirements.
32. The Big Company has questioned customers about their needs for a specific product the company may decide to produce. What kind of marketing information is this company collecting?
- A. Economic
 - B. Secondary
 - C. Primary
 - D. Systematic
33. When a business collects marketing information from its customers, what should it consider about its consumer-privacy laws?
- A. They apply only to children.
 - B. They vary by jurisdiction.
 - C. They relate to health care data.
 - D. They are enforceable internationally.
34. How does marketing research help a business implement the marketing concept?
- A. By identifying consumers' wants and needs
 - B. By setting goals for the business
 - C. By solving the business's problems
 - D. By preventing financial losses

35. To test and validate a hypothesis, market researchers should seek _____ data.
- A. external
 - B. qualitative
 - C. quantitative
 - D. internal
36. The PQR Company has experienced a drop in sales for three consecutive quarters. This is an example of defining the marketing-research
- A. problem.
 - B. risk.
 - C. goal.
 - D. strategy.
37. Marketers use sampling when
- A. the timeframe is flexible.
 - B. making a wrong decision is too risky.
 - C. conducting a census is impossible or unrealistic.
 - D. the population is very small.
38. One reason why marketing-information managers often monitor their competitors' websites is to
- A. identify inventory turnover rates.
 - B. obtain data about new products.
 - C. review current sales records.
 - D. analyze regional economic factors.
39. How can researchers maintain respondents' attention and focus in a survey?
- A. Group related questions together.
 - B. Follow a logical question order.
 - C. Make all questions positive.
 - D. Vary question and answer type throughout the survey.
40. During which of the following steps do researchers transfer coded questionnaire data to the computer:
- A. Discarding
 - B. Analyzing
 - C. Reviewing
 - D. Transcribing
41. What is one way to monitor the buzz your company receives?
- A. Have social media conversations with interested customers about your products.
 - B. Use website analytics to see which social media sites customers use to find your website.
 - C. Answer customer complaints promptly on social media.
 - D. Update your company's website to make it easier to use and find.
42. Over the course of the semester, Rita gets the following scores on her marketing exams: 85, 92, 96, 92, 88, 95, and 100. What is the mode in this set of test scores?
- A. 100
 - B. 85
 - C. 93
 - D. 92

43. The owners of a Chinese bistro decided to open a Thai restaurant. After surveying their regular customers, they determined that 85% of people sampled would be very likely to visit the new Thai restaurant. Therefore, they determined that the restaurant would be a success in their town. A possible problem with the data collected is that they
- contain incomplete data.
 - do not represent the population.
 - include leading questions.
 - are full of dishonest responses.
44. When Jamie develops a questionnaire, she places very broad questions at the beginning of the questionnaire and progressively includes questions that are narrower in scope toward the end of it. What sequencing format is Jamie using to develop the questionnaire?
- Branching
 - Funnel
 - Remote
 - Bridging
45. Researchers assess the timeliness of marketing information to make sure that the information is
- unbiased.
 - complete.
 - reliable.
 - credible.
46. What type of database system would a business use in order to organize marketing data according to many variables?
- Informative
 - Sequential
 - Relational
 - Interactive
47. Jake decided to sell his sweet corn for \$1.50 a dozen after noticing that a nearby farmer is selling hers for \$1.75. Jake's decision is part of which marketing function?
- Channel management
 - Selling
 - Promotion
 - Pricing
48. An apparel company separates its customers into north, south, west, and east segments and markets to each group based on what the weather is like in that part of the country. The company is using _____ segmentation to group its customers.
- demographic
 - geographic
 - psychographic
 - behavioral
49. During the marketing planning process, what do businesses analyze to identify potential threats?
- External factors
 - Company goals
 - Sales quotas
 - Production processes
50. Which of the following situations is an example of how external factors could affect a company's marketing situation:
- A technology firm hires a new president.
 - A shoe manufacturer releases a new line of athletic gear.
 - A candy company enters a joint venture with an international partner.
 - A recent health care law affects procedures at a hospital.

51. Why should a business evaluate its internal environment when changes are occurring in its external environment?
- A. To remain competitive
 - B. To update advertising
 - C. To revise pricing
 - D. To improve distribution
52. In which of the following situations should a business increase its sales forecast for the coming year:
- A. Inflation rate is expected to drop by 1%.
 - B. Cost of supplies will increase by 2%.
 - C. Wages and salaries will remain the same.
 - D. Customer base will decrease by 5%.
53. One way for a person to verify the reliability of an online article's information is by
- A. gathering internal reports from the company's database.
 - B. evaluating the author's writing style.
 - C. comparing the information with other articles about the topic.
 - D. asking others for their opinions.
54. A primary disadvantage of keeping business records in digital formats is that
- A. businesses cannot update data quickly.
 - B. records become inaccessible due to obsolete technology.
 - C. businesses are unable to file documents on computers.
 - D. documents must be kept for a minimum of three years.
55. The increased use of computers and telecommunications equipment is fueling the trend in business that allows many employees to
- A. compete with coworkers.
 - B. participate in management.
 - C. work in various locations.
 - D. perform routine tasks.
56. Which of the following is a factor that relates to the government category of an environmental scan:
- A. Advances in technology
 - B. Religious affiliation
 - C. Stage of the business cycle
 - D. Import/Export regulations
57. Which of the following is a corrective action you could take if your project has derailed:
- A. Project failure
 - B. Risk tracking
 - C. Refocusing scope
 - D. Stakeholder management
58. In which of the following situations might a project planner estimate that it will take three 40-hour weeks to complete a task that can be performed in 50 hours:
- A. The assigned employee schedules a one-week vacation.
 - B. Management organizes a two-day weekend meeting.
 - C. Many employees work flexible 40-hour schedules.
 - D. The business plans to observe a one-day national holiday.
59. What is the most important factor for a west coast business to consider if it plans to use a supplier who is located in the same country on the east coast?
- A. Delivery timeliness
 - B. Personnel policies
 - C. Exchange rates
 - D. Return on sales

60. Which of the following is most likely to positively impact both productivity and quality:
- A. Precut materials to reduce production time
 - B. The highest quality materials available
 - C. Materials with the lowest possible cost
 - D. Quality materials that arrive on time
61. What type of production process involves operating machines around the clock to meet consumer demand for standard products?
- A. Labor-intensive
 - B. Intermittent
 - C. Batch
 - D. Continuous
62. A member of a sales team said, "Our sales always decline this time of year. We just need to wait a few months until they pick up again." What barrier to creativity is the sales-team member exhibiting?
- A. Stress
 - B. Need to be right the first time
 - C. Criticism
 - D. Limiting code of behavior
63. Which of the following is an accurate statement about the use of time:
- A. Time is elastic and can be expanded.
 - B. Time is a precious commodity.
 - C. Time is used the same way by everyone.
 - D. Time is a free resource of little value.
64. Governments can encourage entrepreneurial development by
- A. passing more legislation with strict guidelines.
 - B. increasing interest rates on loans.
 - C. establishing higher ethical standards.
 - D. deregulating and reducing taxes.
65. What is one of the main reasons for sending an interview follow-up letter?
- A. To submit personal information
 - B. To explain your qualifications
 - C. To show your continued interest
 - D. To ask supplemental questions
66. A boutique owner set a goal to open two additional stores in the next three years. What type of organizational goal has the boutique owner set?
- A. Market share
 - B. Control
 - C. Profit
 - D. Growth
67. Kwacky Kwackers needs a new package design for its crackers. What marketing professional would be responsible for creating the new package?
- A. Channel management
 - B. Advertising
 - C. Marketing research
 - D. Product management
68. What pricing tactic might be considered questionable by some businesses?
- A. Providing a reference price
 - B. Matching the prices of a competitor
 - C. Marking up prices to earn a profit
 - D. Developing a complex pricing structure

69. One of smaller online retailers' biggest concerns about automated pricing systems is that these systems could cause
- A. higher marketing prices.
 - B. inflation of the retail price.
 - C. a demand surplus.
 - D. the retailer's price to be undercut.
70. A business might be involved in the illegal activity of deceptive pricing if it
- A. offers special prices on a discontinued item.
 - B. sells products at a limited number of predetermined price points.
 - C. changes prices according to current demand.
 - D. misleads customers about the true value of a product.
71. If the total costs of a product decrease, a business's prices may _____ to increase sales volume.
- A. jump sharply
 - B. be raised
 - C. be lowered
 - D. remain the same
72. The local dry-cleaning company offers to repair, clean, and store customers' clothing. This company is involved in selling
- A. private labels.
 - B. goods.
 - C. product lines.
 - D. services.
73. Which of the following is a true statement about the growth stage of the product life cycle:
- A. Sales increase very slowly.
 - B. Costs go up.
 - C. It's the longest-lasting stage of the product life cycle.
 - D. Competitors arrive on the scene.
74. What form of technology helps businesses track their production supplies and resale products in real time?
- A. Three-dimensional drum scanner
 - B. Integrated project planning software
 - C. Radio frequency identification
 - D. Cyber-security applications
75. Some people argue that planned obsolescence directly benefits customers by
- A. eliminating the need to make their own product purchasing decisions.
 - B. improving the economy through an increased number of purchases.
 - C. providing them with improved products that make their lives easier.
 - D. reducing the amount of stress involved with choosing a product to buy.
76. John is graduating from college and needs to buy clothes suitable for the business world, but he doesn't know where to start. He recognizes that many of his friends also lack the knowledge of what they should buy. He thinks they could easily learn the ropes of creating business wardrobes if there was someplace he could go on the Internet. This product opportunity resulted from
- A. recognizing what is "cool."
 - B. changing life circumstances.
 - C. releasing new products.
 - D. purchasing a product and needing a related item.

77. A salesperson promising to repair or replace a product if it doesn't work properly during a period of time is an example of a(n)
- A. express warranty.
 - B. implied warranty.
 - C. money-back guarantee.
 - D. unconditional guarantee.
78. To prevent people with severe peanut allergies from accidentally consuming food items prepared in peanut oil, many governments require food manufacturers to
- A. provide nutritional information on the packaging.
 - B. label the packaging with a hazardous product symbol.
 - C. list all ingredients on the products' packaging.
 - D. seal the packaging to prevent product tampering.
79. Which of the following is a reason for a business to have a narrow product mix:
- A. To allow the company to specialize
 - B. To use a wide range of prices
 - C. To allow the company to meet the needs of a variety of consumers
 - D. To reduce the costs of the goods the company purchases for resale
80. When positioning a product, what is most important for a business to convey to the target market?
- A. Materials
 - B. Construction
 - C. Components
 - D. Benefits
81. Campbell's Chicken Noodle, Cream of Mushroom, and Tomato soups are examples of _____ branding.
- A. private
 - B. licensed
 - C. family
 - D. individual
82. Which of the following is a brand personality:
- A. Serious, knowledgeable, and reliable
 - B. We promise to provide the highest quality merchandise at the best possible price.
 - C. Integrity, honesty, and authenticity
 - D. Logos, images and graphics, and names
83. A clothing store advertising a 10% discount on a certain brand of jeans is an example of _____ promotion.
- A. corporate
 - B. product
 - C. patronage
 - D. institutional
84. Should businesses rely solely on their previous promotional mixes?
- A. Yes, what has worked in the past will work in the future.
 - B. No, promotional budgets decrease each year.
 - C. Yes, there is usually one promotional mix that is best.
 - D. No, there may be other, more successful mixes to try.
85. One characteristic of socially responsible advertising is that it
- A. does not focus on the advertising company's reputation.
 - B. does not send a negative message to people who cannot afford a product.
 - C. refers to advertising slanted to specific social groups.
 - D. always deals with protecting the environment.

86. A soft-drink company posts a film clip on YouTube and Facebook that features its employees drinking the company's best-selling beverage while they are performing a flash-mob routine. What is the company using to promote its products?
- Custom messaging
 - Streaming audio
 - Advergaming
 - Viral video
87. What is a regulatory factor that affects promotion on an international level?
- Types of products being advertised
 - Cost of media placement
 - Culture of specific countries
 - Price of comparable products
88. The broadcast medium that is most affordable and can reach an entire metropolitan area is
- magazines.
 - newspapers.
 - radio.
 - television.
89. Scooter's Bakery is having trouble selling a certain flavor of pie. Scooter wants to offer a \$2.00 reimbursement after, not at the time of, the sale. Which sales promotion would Scooter use?
- Sweepstakes
 - Coupon
 - Rebate
 - Markdown
90. Sealway just launched a new caulk product that performs better than any other caulk product on the market. Which public relations activity should Sealway use to physically demonstrate the new performance features of its product?
- Trade shows
 - Blogs
 - Newsletters
 - Press releases
91. What is the purpose of an advertising headline that reads, "Lose weight fast"?
- To promote a savings
 - To identify the product
 - To explain features
 - To arouse interest
92. Which of the following is the best recommendation for using color, white space, and fonts in advertisements:
- Use simple, easy-to-read fonts for the body copy.
 - Avoid white space because it adds no value.
 - Use a large variety of fonts to create the most interest.
 - Grab the viewer's attention by using bright colors.
93. What do many businesses often use to promote products and increase awareness?
- Marketing research
 - Creative thinking
 - Public relations activities
 - Cause-related advertising

94. As a salesperson, Lu Sing works on improving relations with difficult customers. In addition, Lu Sing works to improve her ability to determine customers' wants and needs, and to handle their objections. What characteristic is Lu Sing trying to improve?
- A. Selling skills
 - B. Product knowledge
 - C. Ethical standards
 - D. Self-confidence
95. Which of the following is an example of a salesperson solving a problem to provide the type of service that helps maintain good relationships with customers:
- A. Replacing defective products
 - B. Offering additional discounts
 - C. Shipping expensive substitutes
 - D. Making daily appointments
96. A sales presentation should be based on
- A. clearly written users' manuals.
 - B. appropriate use of follow-up techniques.
 - C. the ability to locate new clients.
 - D. the fact that the client needs the product.
97. Which of the following is a statement that might violate certain selling regulations if it was posted on an online retailer's website:
- A. This product works in all situations.
 - B. This product comes with a warranty.
 - C. This product might save money.
 - D. This product is great.
98. Advertisements, marketing plans, marketing-research reports, information sheets, and product manuals can all be used by salespeople to
- A. overwhelm indecisive consumers.
 - B. determine customer buying motives.
 - C. obtain product information.
 - D. trick customers into buying a substandard product.
99. Which phase of the selling process involves getting the order:
- A. Establishing relationships
 - B. Prescribing solutions
 - C. Reaching closure
 - D. Discovering needs
100. The ERG Theory suggests that buyers are motivated by three levels of needs—existence, relatedness, and growth—and that all three types of needs
- A. involve the same level of intensity.
 - B. must be met in a specific order.
 - C. can all exist at the same time.
 - D. require immediate fulfillment.



KEY

Test Number 1198

Marketing Exam

Fashion Merchandising and Marketing Event

Marketing Management Event

Sales Management Meeting Event

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1. B

To liquidate. Federal law provides protection for businesses when they are unable to pay their debts by allowing them to file for bankruptcy. Chapter 7 bankruptcy involves liquidating the business and selling the assets in order to pay creditors a portion of what the business owes them. The end result of Chapter 7 bankruptcy is that the business is released from debts, but all the assets have been liquidated and the business no longer exists. Chapter 11 bankruptcy allows a business to reorganize, which may involve obtaining additional financing. Chapter 7 bankruptcy does not allow a business to consolidate.

SOURCE: BL:001

SOURCE: Peavler, R. (2018, April 16). *What is business bankruptcy?* Retrieved October 24, 2018, from <https://www.thebalancesmb.com/what-is-business-bankruptcy-393017>

2. D

Statutory control. Four methods used to limit and regulate the activities of federal agencies are statutory control, political control, judicial review, and informational control. In many countries, the legislative branch has the power to pass statutes (laws) establishing federal agencies. This enabling legislation often identifies limits to the agencies' powers. In other words, these statutes control the agencies' activities. The government wields political control over these agencies by providing (or withholding) funding, by approving (or speaking out against) individuals nominated to lead these agencies, and by amending the agencies' enabling legislation. The courts can also control federal agencies by reviewing and deciding the legality of the agencies' actions. Finally, the public can indirectly control federal agencies through information. Most federal agencies are required to provide the public with information on different topics. After reviewing the information, private citizens can take action to influence the activities of these federal agencies.

SOURCE: BL:074

SOURCE: Cornell Law School Information Institute. (2017, June 26). *Administrative law*. Retrieved October 24, 2018, from https://www.law.cornell.edu/wex/administrative_law

3. D

Producers. Agents perform many functions for producers, such as selling, storing, grading, etc., without actually taking title to the goods they handle. The producer can concentrate on production and pass other responsibilities on to the agent. Agents may sell to retailers, wholesalers, or distributors.

SOURCE: CM:003

SOURCE: LAP-CM-003—Channel It (Channels of Distribution)

4. C

Offers real-time shipment tracking. Satellite technology involves electronically transmitting information from one source to another via an orbiting device. Satellite technology is beneficial to distribution channel members because it can track shipments that are in transit. For example, if a customer wants to know the status of an order and when it will arrive, the shipper can use satellite technology to quickly determine exactly where the transporter (e.g., truck) is en route. Satellite technology does not necessarily increase manufacturing outputs, ensure accurate order processing, or provide transportation flexibility.

SOURCE: CM:004

SOURCE: Heyn, S. (2014, April). *Shipment monitoring technology: Picking up the signals*. Retrieved October 24, 2018, from <http://www.inboundlogistics.com/cms/article/shipment-monitoring-technology-picking-up-the-signals/>

5. A

A small manufacturer enters a new market. Exclusive dealing occurs when a business forbids a channel member from buying a competitor's products. Many governments prohibit exclusive dealing because it restrains trade and competition. One exception is a small business entering a new market; it will not limit competition because it does not have a large portion of the market share. A company with a large market share engaged in exclusive dealing will restrain competition, which is illegal in many countries. In many locations, tying agreements and closed territories that restrain competition are illegal practices.

SOURCE: CM:005

SOURCE: Norris, L.N. (2012, May 16). *Exclusive dealing: An antitrust analysis*. Retrieved October 24, 2018, from https://www.americanbar.org/groups/young_lawyers/publications/the_101_201_practice_series/exclusive_dealing_an_antitrust_analysis/

6. C

Ethical business practices. Studies have shown a strong relationship between customer satisfaction and a company's ethical behavior. Building customer loyalty gives a business a competitive advantage and is profitable. Taking care of employees tends to encourage employees to take care of business. Paying higher wages is not the only requirement for employee commitment. Pricing strategies can ensure profit but have little impact on employee commitment and customer loyalty. Customer satisfaction, employee contentment, and profit are not directly linked to automated distribution centers.

SOURCE: CM:006

SOURCE: McGuire, L. (2013, October 22). *Ethical considerations in channel management*. Retrieved October 24, 2018, from <https://prezi.com/5sxzpkqjytml/ethical-considerations-in-channel-management/>

7. D

A wholesaler follows up with a producer to ensure that it will ship products to arrive in time for a retailer's scheduled promotion. Each member of a distribution channel (e.g., producers, wholesalers, and retailers) must work together to ensure that products are available when they are needed such as when one channel member has a scheduled sales promotion. If products do not arrive at stores in time for a sales promotion, customers are likely to be dissatisfied and go elsewhere to purchase the items that they want or need. Therefore, channel members need to communicate and follow up with each other on a regular basis. Developing an advertising schedule, researching suppliers online, and developing a press release are not examples of channel members working together to coordinate marketing activities.

SOURCE: CM:007

SOURCE: Jacobsen, S. (2016, June 1). *What does a successful channel management program look like?* Retrieved October 24, 2018, from <https://www.logicbay.com/blog/bid/95507/what-does-a-successful-channel-management-program-look-like>

8. C

Vertical conflicts. Distribution channel members are the businesses or individuals who assist in moving goods and services from the producer to the consumer. When channel members at different levels of the supply chain disagree about a course of action, it is called vertical conflict. When a manufacturer ships products directly to retailers and bypasses its wholesaler, vertical channel conflict is likely to occur. This is because the manufacturer is breaching an agreement with the wholesaler by skipping the channel, causing the wholesaler financial losses. Marketplace enhancement, communication improvement, and pilferage issues are situations that are not as likely to occur as vertical conflict if a manufacturer bypasses a channel member.

SOURCE: CM:008

SOURCE: Mack, S. (2018, June 26). *Horizontal & vertical marketing conflicts*. Retrieved November 29, 2018, from <https://smallbusiness.chron.com/horizontal-vertical-marketing-conflicts-65325.html>

9. A

Supporting ideas with evidence. Ideas that are evidence-based are more easily accepted than those that are not. Primary information is new information collected for the issue at hand. DiAnn is collecting secondary information, which involves obtaining information that has already been collected by others. The evidence does not create alternative ideas. It is meant to add validation to the original idea.

Clarifying an idea involves explaining it in more detail.

SOURCE: CO:061

SOURCE: The Writing Center, University of North Carolina at Chapel Hill. (2018). *Evidence*. Retrieved October 24, 2018, from <http://writingcenter.unc.edu/handouts/evidence/>

10. B

Chronological. Elizabeth puts her information about Abraham Lincoln in time sequence, otherwise known as chronological order. Topical order involves arranging into related subcategories, such as pros and cons. Spatial order arranges material according to physical space or geography, like showing the layout of a new building. Cause-and-effect order emphasizes the relationship between events and their consequences. It could be used to demonstrate the effects of smoking or the benefits of exercise.

SOURCE: CO:025

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

11. D
Analytic. Informational messages communicate knowledge, facts, or data to the message receiver. Analytic messages specifically communicate information that the message sender or someone else has evaluated, compiled, or interpreted, which gives the message meaning. For example, if a manager writes a memo stating that a project is over budget and backs up the statement with numerical data and examples, the manager is providing evaluative (analytic) information. Explanatory messages simply state information in a neutral and objective way. The simplicity or complexity of an evaluative message depends on the message topic.
SOURCE: CO:039
SOURCE: Computer Business Research. (n.d.). *Analytical information*. Retrieved October 24, 2018, from <http://www.computerbusinessresearch.com/Home/database/analytical-information>
12. A
Bar chart. A bar chart would help simplify financial figures and make them easier to understand more quickly. A calculator would complicate a presentation. Heat maps and geographical data maps are used to show locations and information as it relates to space.
SOURCE: CO:204
SOURCE: Duke University Libraries. (2017, August 9). *Data visualization: Visualization types*. Retrieved October 24, 2018, from http://guides.library.duke.edu/datavis/vis_types
13. D
Being consistent. Being consistent involves offering the same, reliable goods and services on a regular basis. Businesses that are consistent do what they say they are going to do and do it right the first time. Being consistent is a good technique for building positive customer relations because customers know that they can count on getting what they need from the business. Customers appreciate consistency and usually will continue to buy from the business. Businesses should be open to change in order to meet the changing needs of their customers. Buying advertising and conducting research will not build positive customer relations unless the business also offers consistent service and reliable products.
SOURCE: CR:003
SOURCE: LAP-CR-001—Accentuate the Positive (Nature of Customer Relations)
14. C
Arguing politely. Salespeople should never argue with the customer, not even in a polite manner. Allowing the person to express dissatisfaction will place the customer in a positive frame of mind. Therefore, you need to listen carefully, empathize with the customer's problem, and discuss the problem and possible solutions.
SOURCE: CR:010
SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)
15. B
As natural and human resources become limited, capital goods become limited. Capital goods are items manufactured or produced from natural and human resources. Natural resources are items found in nature that are used in production, and human resources are the people who transform natural resources into capital goods and consumer products.
SOURCE: EC:003
SOURCE: LAP-EC-014—Be Resourceful (Economic Resources)
16. B
Develop contingency plans. When an organization actively considers "what-if" and "worst-case scenarios," it is in a better position to quickly adapt to changes because it has anticipated how it will react under different circumstances—the business contingency plans are in place. To develop effective contingency plans, businesses often ask for and consider their employees' input. Obsolescence is a state of being out-of-date or old-fashioned. Businesses that do not keep up to date with their target markets' needs and wants are likely to fail. Updating product information is not a way to adapt quickly to changes in the marketplace; rather, it is an activity that communicates current information about the company's offerings.
SOURCE: EC:107
SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)

17. A

Natural resources. Coal, oil, water, and minerals are examples of natural resources and are found in nature. Some jobs exist because of the availability of natural resources and certain physical climatic conditions. Capital goods are resources used by businesses to increase production. Human resources are the people who use their different skills in jobs. The term resources encompasses the categories of natural, capital, and human resources.

SOURCE: EC:014

SOURCE: LAP-EC-007—Divide and Conquer (Specialization and Division of Labor)

18. B

Decrease. The law of diminishing returns states that after a certain point, hiring additional employees will result in smaller increases in the overall level of production. Overall productivity reaches its highest level when there are a certain number of employees using the available resources to do the work. If businesses hire additional employees, the individual production level decreases because there are too many employees using the same resources, such as equipment. In order for production to increase at the desired level when businesses hire more employees, the business also needs to buy additional equipment and supplies and expand its space. According to the law of diminishing returns, continuing to hire additional employees does not cause individual production to level off, increase, or remain unchanged.

SOURCE: EC:023

SOURCE: LAP-EC-031—Know Your Limits (Law of Diminishing Returns)

19. C

Structural. Structural unemployment results when people do not have the job skills for jobs that currently exist. Because technology has evolved at a rapid rate over the past several decades, many jobs that were once performed manually or with minimal training have been replaced with automated systems or with jobs requiring special skills. Seasonal unemployment occurs when people are out of work because of factors that involve the time of year. Frictional unemployment describes people who are temporarily between jobs due to layoffs, resignations, or educational pursuits. These people often have the skills and training they need to work but are unemployed. Cyclical unemployment occurs during periods of time when there is low demand for workers due to economic conditions and fluctuations in the business cycle.

SOURCE: EC:082

SOURCE: Investopedia. (2018, October 22). *Unemployment rate*. Retrieved October 24, 2018, from <http://www.investopedia.com/terms/u/unemploymentrate.asp>

20. A

An official passport is typically required to visit and conduct business in foreign countries. Visa regulations change often and may or may not be required for business travel. Vaccination requirements also change frequently and may or may not be required depending on the countries being visited. A visa typically cannot be obtained without a passport, and usually individuals traveling internationally are required to have an official passport.

SOURCE: EC:141

SOURCE: Export.gov. (2018, June 14). *Navigate your market successfully: Business travel abroad*. Retrieved October 24, 2018, from <https://www.export.gov/article?id=Business-Culture>

21. D

Family can be a source of values. A person's values often stem from family, friends, culture, education, religion, media influences, and significant events in his/her life or in society. The experiences of Melanie's parents have influenced her values and encouraged her to place value on education. This example does not demonstrate how Melanie's values came from her personality, how values do not impact behavior, or that Melanie should have assessed her values.

SOURCE: EI:126

SOURCE: LAP-EI-126—Assess Yourself (Assessing Your Personal Behavior and Values)

22. A
Equality. Some believe that fairness means treating everyone with equality. From this perspective, people are treated consistently regardless of their individual characteristics, traits, and circumstances. From this viewpoint, identical actions lead to identical consequences, no matter who is involved. Justice means treating others how they deserve to be treated according to an ethical understanding of what is right. Justice goes beyond treating people consistently. When you act with justice in mind, you are taking people's unique characteristics into account when determining what is fair for that individual. Empathy means understanding and identifying with the thoughts, feelings, values, attitudes, and/or actions of another person. Generosity is sharing with others without allowing your own selfishness to outweigh your desire to equally share with those who deserve it.
SOURCE: EI:127
SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)
23. D
Accountability helps you own your decision-making and handle the repercussions of your decisions. Accountability is accepting responsibility for your decisions. Those who tolerate ambiguity accept responsibility for whatever comes their way. They own their decision-making and are unafraid to be wrong. Accountability does not necessarily make it easier to adapt to changes, allow you to feel less stressed in challenging situations, or mean you will assume the worst and be unable to accept what you cannot control.
SOURCE: EI:092
SOURCE: LAP-EI-092—Embrace the Unknown (Developing a Tolerance for Ambiguity)
24. D
Be realistic about your strengths and weaknesses. When determining your personal vision, it is important to be honest and realistic with yourself about your strengths and weaknesses. You will only set yourself up for disappointment by envisioning a future that doesn't align with what you can realistically achieve. You should not consider the opinions of your family or friends when determining your vision—your vision is ultimately up to you to determine. You should not underestimate your potential accomplishments or exaggerate about your skills and abilities when determining your vision. Instead, you should be realistic and honest.
SOURCE: EI:063
SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)
25. A
Revolving. Businesses that offer revolving credit accounts limit the total amount of money that a customer may charge an account. When customers use their credit cards and make purchases on their accounts, businesses require them to make a minimal monthly payment. If a customer chooses to make the minimal payment, the business charges interest on the customer's outstanding balance. Installment credit is a type of credit account set up to handle one total amount of credit that the borrower pays in regular installments until the item is paid off. Installment credit is often used when purchasing expensive items such as cars and furniture. A budget credit account is a form of short-term credit often set up for 60- or 90-day periods with a payment due every 30 days. Service credit is credit used for utilities that have been consumed but not paid for (e.g., water and electricity).
SOURCE: FI:002
SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)
26. A
Property. Tax liability is the amount of money that people owe and must pay to the government. Property taxes are monies that local governments collect from homeowners. The value of the home and the property the home sits upon is a consideration when determining the homeowner's property tax liability. Excise taxes are sales taxes on specific goods such as gasoline, cigarettes, and alcohol. Governments collect sales tax for purchases and income tax on money that a person earns.
SOURCE: FI:067
SOURCE: Fay, B. (2018). *Types of taxes*. Retrieved October 24, 2018, from <https://www.debt.org/tax/type/>

27. B

Memorize your social security number, and keep your card at home. You should avoid keeping your social security card in your wallet or purse. Instead, leave the card at home or somewhere safe, and memorize your social security number. You should never give out personal information when the other person initiated the contact—instead, you should only give out information when you initiated the contact yourself. You shouldn't just throw away credit card statements, receipts, and credit offers. Instead, you should shred them. Many thieves practice dumpster diving to find documents with bank account or credit card numbers. You shouldn't give out information to someone who says s/he works for a legitimate company, as that person could easily be lying to you. In fact, this is a common phishing scheme. Only give out your personal information if the other person has some way to verify who s/he is (or if you were the one who contacted him/her).

SOURCE: FI:073

SOURCE: Federal Trade Commission. (2012, July). *How to keep your personal information secure*. Retrieved October 24, 2018, from <http://www.consumer.ftc.gov/articles/0272-how-keep-your-personal-information-secure>

28. A

Ensure transparency. Governments require businesses to provide certain types of financial information to regulatory agencies and shareholders. The accounting function collects and records the financial information in the appropriate format. Transparency involves fully disclosing the required information so it is understandable to the intended audience. Governments do not regulate the ways in which businesses report financial data to reduce taxes or stimulate market growth. The consequences of incorrect information (e.g., fines) may reduce the risk of mistakes on the report, but the risk of mistakes cannot be eliminated.

SOURCE: FI:353

SOURCE: The World Bank. (2013, October 1). *Effective and transparent financial reporting is good for business*. Retrieved October 25, 2018, from <http://www.worldbank.org/en/news/feature/2013/10/01/effective-and-transparent-financial-reporting-is-good-for-business>

29. A

How to finance investments. Capital investment decisions are concerned with long-term projects that will last for years into the future, like financing investments. How to manage cash flow is not a capital investment decision. Cash flow is a concern addressed in working capital management. Handling accounts payable and managing inventory are also actions related to working capital management.

SOURCE: FI:354

SOURCE: LAP-FI-007—Money Matters (Role of Finance)

30. D

All businesses must comply with fundraising laws. Fundraising activities are regulated by law. This means that all businesses, including nonprofits, must comply with fundraising laws. Fundraising laws apply to all forms of fundraising, including events and Internet fundraising.

SOURCE: FI:356

SOURCE: The Charity Commission. (2013, May 23). *Fundraising legally and responsibly*. Retrieved October 25, 2018, from <https://www.gov.uk/guidance/fundraising-legally-and-responsibly>

31. B

Communicate the employer's philosophy and expectations. A good orientation program sets the tone for the new hire's experience with the company. It answers basic questions for new employees and helps them feel welcome and comfortable in their new surroundings. It often involves giving tours to familiarize the employees with the facilities, completing the required paperwork, distributing employee handbooks, and introducing them to their new colleagues. A very important aspect of orientation is to communicate the employer's philosophy and behavioral expectations so the employee can adapt accordingly. The purpose of the orientation session is not to go over specific financial goals. Job qualifications are verified during the interview process. Salaries are negotiated after the employer extends the job offer and before the candidate (new employee) accepts the offer.

SOURCE: HR:360

SOURCE: Richards, L. (2017, November 21). *What are the benefits of new employee orientation programs?* Retrieved October 25, 2018, from <https://smallbusiness.chron.com/benefits-new-employee-orientation-programs-1281.html>

32. C

Primary. Primary data are facts collected for use in one particular situation. They are gathered in a systematic manner to solve a problem, explore an opportunity, or for any purpose useful to the business. Some ways in which primary data are gathered include questioning salespeople, customers, or competitors or hiring a marketing-research company to obtain the data. Secondary data are facts already collected for some other purpose. Economic data are facts collected regarding the economy as a whole. These data may be primary or secondary in nature.

SOURCE: IM:001

SOURCE: LAP-IM-002—Get the Facts Straight (Marketing-Information Management)

33. B

They vary by jurisdiction. Businesses have the ability to easily collect information from people who visit their websites and from customers who purchase their goods and services. While collecting this type of information helps a business determine which products sell and what customers want, the business must be careful not to break consumer-privacy laws, which vary by jurisdiction. Jurisdiction is the authority a court has to resolve a legal issue. Jurisdiction is affected by many factors including geographic location (e.g., state, province, country), customer (e.g., children), and industry (e.g., financial, healthcare). Consumer-privacy laws are not enforceable at an international level.

SOURCE: IM:419

SOURCE: PrivacyPolicies.com. (2018, January 19). *What's data privacy law in your country?* Retrieved October 25, 2018, from <https://privacypolicies.com/blog/privacy-law-by-country/>

34. A

By identifying consumers' wants and needs. The marketing concept is a philosophy of conducting business that is based on the belief that all business activities should be aimed toward satisfying consumer wants and needs while achieving company goals. Marketing research helps the business implement the marketing concept by providing it with information about what consumers want, need, and are likely to buy. Marketing research cannot solve a business's problems or prevent financial losses. The business sets its own goals which may or may not be based on marketing-research information.

SOURCE: IM:010

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

35. C

Quantitative. Quantitative data are objective and based on statistics and/or facts. They are usually represented numerically. This type of data helps test and validate hypotheses. Qualitative data are subjective and based on thoughts, feelings, and experiences. They are less likely to provide the facts necessary to validate a hypothesis. External data are gathered from sources outside of the company, whereas internal data come from company sources. These types of data do not necessarily help test and validate a hypothesis.

SOURCE: IM:281

SOURCE: LAP-IM-015—What's the Source? (Obtaining Marketing-Research Data)

36. A
Problem. A problem is an issue that needs a solution. Often, a particular problem, such as low sales, is the reason for conducting marketing research. The research helps the business determine why sales are continuously dropping so that it can determine how to resolve the problem. The example does not define a marketing-research risk, goal, or strategy.
SOURCE: IM:282
SOURCE: LAP-IM-282—What's the Problem? (Marketing Research Problems)
37. C
Conducting a census is impossible or unrealistic. Marketers use sampling when conducting a census is impossible or unrealistic, which is most of the time. Sampling is also much quicker than a census, making it ideal when the timeframe for the research study is short. A census can be used when making a wrong decision is too risky or when the population is very small.
SOURCE: IM:285
SOURCE: LAP-IM-016—Take Your Pick (Nature of Sampling Plans)
38. B
Obtain data about new products. A business's website contains volumes of information designed to attract customers and encourage them to buy. However, this information is also available to competitors. Consequently, marketing-information managers often monitor their competitors' websites to obtain data about new products that competitors might be selling. This data might indicate the characteristics and features of the products as well as pricing information. Businesses might use this information to develop similar products or to update existing products. Although businesses post a lot of information on their websites, they usually do not include information about inventory turnover rates, current sales records, or regional economic factors.
SOURCE: IM:184
SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)
39. D
Vary question and answer type throughout the survey. When a survey includes a series of similar questions that all have the same answer choices, participants may begin to answer them in the same way out of habit. This can result in less accurate answers. If the question and answer types are varied throughout, this type of inaccuracy is less likely to occur. While following a logical question order is a characteristic of a good survey, it does not necessarily do anything to maintain respondents' focus. Making all questions positive and grouping related questions together could reduce respondents' focus rather than maintaining it.
SOURCE: IM:418
SOURCE: Creative Research Systems. (2016). *Survey design software*. Retrieved November 29, 2018, from <http://www.surveysystem.com/sdesign.htm>
40. D
Transcribing. Transcribing involves taking the coded information and entering it into the appropriate computer fields so that businesspeople can analyze and review information. Researchers discard incomplete information before entering it into the computer.
SOURCE: IM:062
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 505-510]. Mason, OH: South-Western Cengage Learning.
41. B
Use website analytics to see which social media sites customers use to find your website. Website analytics can help you determine how many people are visiting your website and which sites they're using to find your website. This can be helpful in measuring how effective your various social media presences are in drawing in customers. Talking to customers on social media, answering customer complaints, and updating your website are important, but they do not measure buzz.
SOURCE: IM:469
SOURCE: Edwards, M. (2017, June 17). *Tips for measuring your video marketing strategy*. Retrieved November 29, 2018, from <http://greenbuzzagency.com/tips-for-measuring-your-video-marketing-success/>

42. D
92. The mode is the number that occurs the most frequently. 92 is the only number that occurs more than once, so it is the mode in this set of numbers.
SOURCE: IM:191
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 183). Columbus, OH: Glencoe/McGraw-Hill.
43. B
Do not represent the population. Because the survey was only given to regular customers of the Chinese restaurant, the sample does not represent the total population of the town. Regular customers are more likely to indicate interest in the new restaurant because they already have a favorable impression of the current restaurant. There is no indication that the data gathered are incomplete, contain leading questions, or are full of dishonest responses.
SOURCE: IM:292
SOURCE: NEDARC. (2016, August 29). *Random selection*. Retrieved October 25, 2018, from <http://www.nedarc.org/statisticalhelp/selectionAndSampling/randomSelection.html>
44. B
Funnel. The funnel approach involves asking very broad questions at the beginning of the questionnaire. This helps the respondents focus and get comfortable with the survey. Then, the questionnaire progressively asks the questions that are narrower in scope toward the end of the questionnaire. The funnel approach helps researchers organize the questionnaire in a way that prevents question-order bias. Branching is a technique that requires respondents to go to another place in the questionnaire to answer specific questions if they respond a certain way to the initial question. Bridging and remote are not questionnaire formats.
SOURCE: IM:293
SOURCE: Churchill, G.A., Brown, T.J., & Suter, T.A. (2010). *Basic marketing research* (7th ed.) [p. 306]. Mason, OH: South-Western Cengage Learning.
45. D
Credible. Marketing research that is timely is credible because it is current. Researchers want the information they collect to be credible or believable because that increases the validity of the research. Valid research is based on collecting the most appropriate and up-to-date information available to use in solving a problem or addressing an issue. Researchers also want the information to be complete, reliable, and unbiased. However, that is not the reason for assessing the timeliness of marketing information.
SOURCE: IM:428
SOURCE: Columbia College. (2018). *Evaluating the credibility of your sources*. Retrieved November 29, 2018, from <https://www.college.columbia.edu/academics/integrity-sourcecredibility>
46. C
Relational. Relational databases allow businesses to examine the relationships between many variables at one time. In relational databases, information is set up in tables with rows and columns. The rows represent a category and the columns represent the variables. For example, a business could develop a relational database with a row for each of its salespeople and columns across for sales by month. The business then would be able to examine the relationship between each salesperson's sales according to month and make comparisons between salespeople. A sequential database organizes information in a simple path from one factor to the next. Informative and interactive are not types of databases.
SOURCE: IM:063
SOURCE: Amazon Web Services. (2018). *What is a relational database?* Retrieved October 25, 2018, from <https://aws.amazon.com/relational-database/>

47. D

Pricing. Pricing is a marketing function that involves determining and adjusting prices to maximize return and meet customers' perceptions of value. In this situation, Jake took his competitor's price into consideration to help determine his own. Promotion is a marketing function that involves communicating information about goods, services, images, and/or ideas to achieve a desired outcome. Selling is a marketing function that involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Channel management is a marketing function that involves identifying, selecting, monitoring, and evaluating sales channels.

SOURCE: MK:002

SOURCE: LAP-MK-001—Work the Big Seven (Marketing Functions)

48. B

Geographic. Grouping customers according to where they are located is geographic segmentation. Customers are grouped on the basis of such geographic divisions as regions, states, cities, and neighborhoods. Demographic segmentation divides a market on the basis of its physical and social characteristics. Lifestyles and personalities of customers are used as the basis for psychographic segmentation of markets. Dividing customers into groups according to their response to a product is behavioral segmentation.

SOURCE: MP:003

SOURCE: LAP-MP-003—Have We Met? (Market Identification)

49. A

External factors. The marketing planning process involves analyzing external factors that may pose potential threats to the success of the business. A threat is any unfavorable situation in the environment surrounding the business. There are many factors in the external environment that may pose a threat. For example, changes in government regulations may make it more expensive for the business to operate, or changes in the economy may reduce the amount of money customers have to spend on luxuries. Businesses need to be aware of potential threats in order to be prepared to deal with them. Company goals, sales quotas, and production processes are internal factors that may indicate a business's strengths and weaknesses.

SOURCE: MP:006

SOURCE: Bush, T. (2016, July 18). *External factors that affect a business*. Retrieved November 29, 2018, from <https://pestleanalysis.com/external-factors-affect-business/>

50. D

A recent health care law affects procedures at a hospital. The situation analysis must discuss the climate, or external factors, that could affect the marketing situation. External factors can be social and cultural, demographic, economic, technological, or political and legal. A new health care law is an example of a political and legal change that would affect the marketing efforts of a hospital. A shoe company releasing a new line of athletic gear is an internal company change, as is a technology firm hiring a new president. A joint venture is an example of a collaboration, rather than an external factor.

SOURCE: MP:007

SOURCE: LAP-MP-007—A Winning Plan (Nature of Marketing Plans)

51. A

To remain competitive. When a business's external environment changes, it should evaluate its internal environment in order to remain competitive. External changes, such as industry growth or a slowdown in the economy, often make it necessary for a company to change the way it does business. These types of external changes might make it more difficult for a business to compete and remain successful. In response to external changes, a business might update its advertising, revise its pricing, and improve its distribution in order to remain competitive.

SOURCE: MP:008

SOURCE: Lake, L. (2017, June 26). *Situation analysis*. Retrieved October 24, 2018, from <https://www.thebalancesmb.com/purpose-and-elements-of-a-situational-analysis-2295754>

52. A
Inflation rate is expected to drop by 1%. Changes in the economy affect sales and, thus, sales forecasting. When the economy improves for any reason, such as a 1% decrease in inflation, consumers' disposable income is increased, and sales of consumer products often increases. A business should consider economic changes when forecasting sales and raise its expectations for the coming year if it thinks consumers will be able to buy more of its product than in the past. A business might consider lowering its sales forecast if the cost of supplies will increase by 2% or the customer base will decrease by 5%. The sales forecast might stay the same if wages and salaries are expected to remain the same.
SOURCE: MP:013
SOURCE: LAP-MP-005—Futurecast (The Nature of Sales Forecasts)
53. C
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. (2017, April 4). *How to determine the validity of a research article*. Retrieved October 25, 2018, from <https://classroom.synonym.com/determine-validity-research-article-5035804.html#>
54. B
Records become inaccessible due to obsolete technology. As technology evolves, new tools and storage formats replace the older, less efficient ones. For example, most of today's computers cannot access data stored on a floppy disk. Rather than keeping out-of-date equipment on hand to read older files, businesses often migrate their older records to current technology, which is costly in terms of time and money. When businesses use current technology, they can update their data and business records quickly. Similar to manual record-keeping processes, businesses can develop and "file" their documents on computers in organized ways. Businesses are required to keep certain types of records (e.g., financial) for a certain time, but they do not need to keep all documents for a minimum amount of time.
SOURCE: NF:001
SOURCE: LAP-NF-001—Record It (Business Records)
55. C
Work in various locations. The increased use of computers and telecommunications equipment is changing the way many companies operate and do business. At one time, most employees worked in one location and communicated with others through written memos and phone calls. Today, computers and telecommunications equipment allow many employees to work in various locations and maintain contact with coworkers, managers, and customers. For example, an employee with a laptop computer can work from home, while traveling by air to an appointment, while conducting business in a foreign country, or while relaxing at the beach. Routine tasks often do not involve the use of computers or telecommunications equipment. The increased use of computers and telecommunications equipment does not necessarily allow employees to participate in management or encourage them to compete with coworkers.
SOURCE: NF:013
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 147). Columbus, OH: Glencoe/McGraw-Hill.
56. D
Import/Export regulations. Import/Export regulations are a factor that relates to government. The government can have a great influence on a business's decision-making, so it is important to include government in any environmental scan. Religious affiliation is a piece of demographic data. Stage of the business cycle relates to the economy. Advances in technology will be scanned in a separate category.
SOURCE: NF:015
SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

57. C

Refocusing scope. Once you've identified areas where you need improvement, you will have to take corrective actions to get your project back on track. An example is refocusing the scope of your project. Project failure, risk tracking, and stakeholder management are not types of corrective actions to take if your project has derailed.

SOURCE: OP:520

SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

58. A

The assigned employee schedules a one-week vacation. Project planners need to consider many variables when estimating the actual length of time it will take to complete certain tasks. If the employee assigned to perform the task will be unavailable because of a scheduled vacation, the project planner should allot additional time. In this situation, the task can be completed in 50 hours; but the assigned employee who works a 40-hour week will be on vacation for one week. Therefore, the employee will be able to work on the task for one 40-hour week, be away for one week, and work on the project for 10 hours the third week for a total of 50 hours. Observing a one-day national holiday will reduce the amount of available time by eight hours which would still provide 72 hours in two weeks to perform the task. Flexible 40-hour schedules total 80 hours in two weeks. A two-day weekend meeting will not take away time from the regular 40-hour week.

SOURCE: OP:001

SOURCE: Project Management Institute (2013). *A guide to the project management body of knowledge: PMBOK guide* (5th ed.) [pp. 165-185]. Newtown Square, PA: Project Management Institute.

59. A

Delivery timeliness. When selecting a supplier, businesses must consider delivery timeliness. The business must ask if the supplier can deliver the goods when they are needed. In some situations, it may be better for a business to use a supplier who may be a little more expensive, but in closer physical proximity of the business, if that supplier can consistently meet delivery requirements. Personnel policies are guidelines for employees' behavior in the workplace. The exchange rate is the value of one nation's currency in relation to another nation's currency. Return on sales or target return is a profit-oriented pricing objective in which the business bases the amount of profit it wants to earn on the amount of its sales.

SOURCE: OP:161

SOURCE: Hayes, D.K., & Ninemeier, J.D. (2010). *Purchasing: A guide for hospitality professionals* (p. 91). Upper Saddle River, NJ: Pearson Education.

60. D

Quality materials that arrive on time. Two purchasing-related factors that can have a significant impact on quality and productivity are the quality of the materials and the timeliness of their delivery. High-quality materials only benefit productivity if they arrive on time. Inexpensive materials may decrease the cost of goods sold, but they aren't likely to increase productivity and quality. Materials that are precut to reduce production time could increase productivity, but only if they are delivered on time. Precut materials may or may not increase the quality of the outputs.

SOURCE: OP:247

SOURCE: Entrepreneur. (2014, July 18). *How to create a formal purchasing program*. Retrieved on October 25, 2018, from <https://www.entrepreneur.com/article/79798>

61. D

Continuous. Businesses with a steady demand for their standard products, such as toothpaste, often operate continuously. In most cases, the continuous production process is highly automated and operates steadily with assistance from only a few employees. Intermittent production starts and stops frequently and produces only when there is a need to increase stock levels. Labor-intensive production processes rely more on people than on machines. Batch production processes are used to produce limited quantities of a product at one time.

SOURCE: OP:017

SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

62. D
Limiting code of behavior. It is easy to fall into patterns of behavior that suffocate creativity. People convinced that their problems are unavoidable won't look for solutions. Stress is due to worry and fatigue. Creativity requires people to explore alternatives and take risks; therefore, people who have to be right the first time can't take the chance of being wrong.
SOURCE: PD:012
SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)
63. B
Time is a precious commodity. Time is a valuable resource that should be used wisely. The supply of time cannot be expanded, and it is not used in the same way by everyone. Some people make very good use of their time, while others waste it.
SOURCE: PD:019
SOURCE: LAP-PD-001—About Time (Time Management)
64. D
Deregulating and reducing taxes. One way governments can support startup businesses is to make it easier to conduct business by having fewer rules that restrict trade with other companies or countries. Another way governments can support entrepreneurship is by reducing tax obligations for small-business startups. Entrepreneurs can use the tax savings to build the business. Ethical standards refer to the unwritten rules that govern each individual's behavior. Exhibiting ethical behavior might enhance one's chances for success in business but does not necessarily encourage entrepreneurial development. Increased interest rates on loans indicate that the business owner is paying more money to start the company. Some entrepreneurs might not feel that they can afford the loan amount and decide not to start the business. Therefore, the higher interest rates do not encourage entrepreneurial growth. Governments that pass laws with strict trade guidelines reduce the ability for free trade, thereby discouraging entrepreneurship.
SOURCE: PD:066
SOURCE: LAP-PD-066—Own Your Own (Career Opportunities in Entrepreneurship)
65. C
To show your continued interest. After every employment interview, you should send the interviewer a follow-up letter. The purpose of this letter is to thank interviewers for their time and to show that you are truly interested in obtaining the job. The follow-up letter serves as a reminder to interviewers and helps to keep your name in front of them. Your qualifications should be explained during the interview but may be highlighted in a follow-up letter. Applicants usually submit personal information with their résumé before an interview. The primary purpose of an interview follow-up letter is not to ask additional questions.
SOURCE: PD:029
SOURCE: Kimbrell, G. (2012). *Succeeding in the world of work* (pp. 90-91). Columbus, OH: McGraw-Hill Education.
66. D
Growth. Growth goals are organizational goals that businesses set to expand and grow. Expansion may include merging with another company, adding more products to the product mix, adding a production shift, or opening additional stores. Control goals are the organization's goals for monitoring the work. A profit goal is the amount of money the business wants to make after its expenses are paid. A market-share goal is the desired portion of a total market that the business wants to attract.
SOURCE: PD:254
SOURCE: Barnat, R. (n.d.). *Organizational goals*. Retrieved October 25, 2018, from <http://www.introduction-to-management.24xls.com/en104>

67. D
Product management. Product managers create, test, and decide how a product will be packaged. They direct and coordinate all aspects of the product. Advertisers develop messages and images to catch customers' attention, inform them of products, and persuade them to buy. They use a variety of media to communicate with customers. Some of these media are the Internet, radio, television, newspapers, magazines, billboards, and catalogs. Marketing researchers are responsible for determining what customers need and want and why customers do what they do. Channel management is the processes by which marketers ensure that products are distributed to customers efficiently and effectively.
SOURCE: PD:024
SOURCE: LAP-PD-021—Career Opportunities in Marketing
68. D
Developing a complex pricing structure. Some businesses develop complex pricing structures that are very difficult for customers to understand. Customers buying from such businesses are seldom able to figure out how to get a lower price and end up spending more than they should. Although this practice is not illegal, it is considered unethical because customers don't have a fair chance to obtain the best price. Providing a reference price is ethical because it gives customers a comparison price. It is ethical for businesses to match the prices of competitors as long as they don't meet in advance and agree to set the prices. The purpose of business is to earn a profit, which involves marking up prices.
SOURCE: PI:015
SOURCE: McCormick, M. (2017, May 30). *Are your prices ethical?* Retrieved October 25, 2018, from <https://blog.blackcurve.com/are-your-prices-ethical>
69. D
The retailer's price to be undercut. Automated pricing systems allow large retailers to price products aggressively and undercut smaller retailers. Automated pricing systems do not cause prices to go up or result in a surplus of demand. They also have no connection with marketing prices for the retailer.
SOURCE: PI:016
SOURCE: Lu, C. (2014, December 16). *Why automated pricing optimization is the future of e-commerce.* Retrieved November 29, 2018, from <https://www.tradegecko.com/blog/automated-pricing-optimization-future-e-commerce>
70. D
Misleads customers about the true value of a product. Deceptive pricing is an illegal pricing tactic because it misleads customers about the true value of a product. An example of deceptive pricing is setting a high price on a product and then advertising a big discount which actually reduces the price to a realistic, or normal, level. Customers buy the item because they think they are saving money when, in fact, they are paying what the item is actually worth. Price lining involves selling products at a limited number of predetermined price points. Variable pricing involves changing prices according to current demand. Promotional pricing involves offering special prices on certain products such as discontinued items. These pricing activities are not illegal.
SOURCE: PI:017
SOURCE: McCormick, M. (2017, May 30). *Are your prices ethical?* Retrieved October 25, 2018, from <https://blog.blackcurve.com/are-your-prices-ethical>
71. C
Be lowered. The selling price of products must cover costs. If costs decrease, the business can afford to lower prices. This may result in an increased sales volume and a possible increase in profits. Raising prices routinely or sharply could result in a decrease in sales volume. Prices are likely to remain the same if costs decrease.
SOURCE: PI:002
SOURCE: LAP-PI-003—Make Cents (Factors Affecting Selling Price)

72. D

Services. Services are intangible products and the customer benefits they offer. They cannot be tasted, felt, seen, heard, or smelled. Services are performed rather than produced. Goods are tangible objects that can be manufactured or produced for resale. Product lines are groups of related product items. Private labels are labels or brands that belong to the seller.

SOURCE: PM:001

SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

73. D

Competitors arrive on the scene. The growth stage of the product life cycle is when competitors arrive on the scene. When a product is selling and making money, other companies want to get in on the action! Costs tend to go down during the growth stage, due to economies of scale. The growth stage is also the stage when sales increase very rapidly. The maturity stage, not the growth stage, is the longest-lasting stage of the product life cycle.

SOURCE: PM:024

SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)

74. C

Radio frequency identification. Radio frequency identification (RFID) technology involves the use of a wireless transmitter to store product information, such as the shipping history and the date the item was sold. To track the product, the transmitter or tag is attached to a pallet, the item's packaging, or the item itself. Electronic readers retrieve the tag information and feed it to a computer database where the business can store all of its product information in a central location. RFID technology improves efficiency levels of the product/service management function through all levels of the distribution channel. Integrated project planning software, three-dimensional drum scanners, and cyber-security applications are not used to track supplies and products.

SOURCE: PM:039

SOURCE: EPC-RFID. (n.d.). *What is RFID?* Retrieved October 25, 2018, from <https://www.epc-rfid.info/rfid>

75. C

Providing them with improved products that make their lives easier. Supporters of planned obsolescence argue that the practice can benefit customers by providing them with new and improved versions of products that make their lives easier. Supporters of planned obsolescence do not argue that the practice directly benefits customers by improving the economy, eliminating their need to make their own product purchasing decisions, or reducing the amount of stress involved with choosing a product to buy.

SOURCE: PM:040

SOURCE: LAP-PM-040—Safe and Sound (Ethics in Product/Service Management)

76. B

Changing life circumstances. John is leaving the educational world to go into the business world; therefore, his life is changing. The other alternatives also create chances for product opportunities; however, they do not relate to the scenario.

SOURCE: PM:134

SOURCE: Martecchini, P. (2014, December 2). *How consumer life stages should drive marketing.* Retrieved October 25, 2018, from <https://multichannelmerchant.com/blog/consumer-life-stages-drive-marketing/>

77. A

Express warranty. An express warranty is a warranty that is written or expressed verbally. It may be an oral promise given by the salesperson to a customer. A salesperson promising to repair or replace a product if it doesn't work properly during a period of time is an example of an express warranty. Then, the business must fulfill the promise to the customers. An implied warranty is an unwritten warranty understood by the consumer and the seller that the product will perform as expected. A money-back guarantee is a promise to refund the consumer's purchase price if the product does not perform as expected. An unconditional guarantee means that a product can be returned at any time for a refund or credit.

SOURCE: PM:020

SOURCE: LAP-PM-004—Promises, Promises (Warranties and Guarantees)

78. C

List all ingredients on the products' packaging. Listing the ingredients on food packaging allows consumers to read the contents of processed foods. This is important because consumers who are allergic to certain foods or food additives can determine if the product is safe for them to eat by reviewing the ingredients that are listed on the packaging. Hazardous product symbols are typically added to the packages of non-food items (e.g., cleaning products) that contain dangerous chemicals. Many governments require food manufacturers to include nutritional information on their labels or packaging; however, this requirement is not tied specifically to allergies. It is important to seal packages to prevent product tampering but this will not prevent people from accidentally consuming foods to which they are allergic.

SOURCE: PM:017

SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

79. A

To allow the company to specialize. A company that has a narrow product mix offers a limited number of product lines. This enables the company to specialize efficiently, produce efficiently, and to concentrate on marketing the product lines. The needs of a variety of consumers and the use of a wide range of prices are addressed with a deep product mix. A broad product mix reduces the costs of goods a company purchases for resale.

SOURCE: PM:003

SOURCE: LAP-PM-003—Mix & Match (The Nature of the Product Mix)

80. D

Benefits. Consumers tend to buy based on how the product benefits them rather than focusing on the product components, materials, or manufacturing processes. Therefore, businesses stress the benefits when positioning products.

SOURCE: PM:042

SOURCE: LAP-PM-019—Getting Piece of Mind (Factors Used To Position Products/Services)

81. C

Family. Family branding is using one brand name for a group of related products in a product line. A private brand is owned by the middleman. An individual brand is a brand in which different brand names are used for products owned by one company. Licensed branding occurs when a brand owner allows another company to use the brand for a fee.

SOURCE: PM:021

SOURCE: LAP-PM-006—It's a Brand, Brand, Brand World! (Nature of Product Branding)

82. A

Serious, knowledgeable, and reliable. Brand personality is the projection of a brand that encompasses its values and emotional connections with consumers. In other words, a brand personality describes what a brand would be like if it were a person. Serious, knowledgeable, and reliable are ways to describe a brand personality. "We promise to provide the highest quality merchandise at the best possible price" is an example of a brand promise. Integrity, honesty, and authenticity are examples of brand values. Logos, images and graphics, and names are elements of brand identity.

SOURCE: PM:206

SOURCE: LAP-PM-020—Corporate Identity (Nature of Corporate Branding)

83. B

Product. Product promotion is a type of promotion that aims to persuade consumers to buy a good or service, such as a certain brand of jeans. Corporate, or institutional, promotion is a type of promotion that aims to create a certain image in the eyes of consumers. Patronage promotion is a type of institutional promotion designed to promote a firm's features or prestige.

SOURCE: PR:002

SOURCE: LAP-PR-004—Know Your Options (Product and Institutional Promotion)

84. D

No, there may be other, more successful mixes to try. A promotional mix is a combination, or blend, of marketing communication channels that a business uses to send its messages to customers. A company should continually analyze its promotional mix to be sure it is using the most appropriate, efficient mix. In some cases, a promotional mix that has been successful in the past may continue to be successful in the future, but this is not always the case. There is no one promotional mix that is best for all businesses, and a promotional budget does not necessarily decrease each year.

SOURCE: PR:003

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

85. B

Does not send a negative message to people who cannot afford a product. Socially responsible advertising does not send negative messages to people that cause them to be dissatisfied with their standard of living. A message that was socially irresponsible might imply that people who cannot afford certain products will not be able to have pleasant lives. While socially responsible advertising may be concerned with the environment, this is not a requirement. Slanting advertising to specific social groups is target marketing and may or may not be socially responsible. Socially responsible advertising does not necessarily involve a company's reputation.

SOURCE: PR:099

SOURCE: Thompson, S. (n.d.). *Social responsibility in advertising*. Retrieved October 25, 2018, from <https://smallbusiness.chron.com/social-responsibility-advertising-52880.html>

86. D

Viral video. The soft-drink company is attempting to create buzz about its products by posting a video on popular social media websites. The goal is to have people share the video link with their friends and family, who in turn, share it with others. In this way, the video is "viral" because the message spreads or passes from person to person similar to an illness or virus. Because the message goes out to the masses, it is a nonpersonal form of communication rather than a customized message. Streaming audio allows a person to listen to a message in real time without downloading it to a computer. Advergaming uses video games to advertise products.

SOURCE: PR:100

SOURCE: Kennedy, L. (2018, November 10). *Let's get viral, or how to use viral videos in marketing*. Retrieved November 29, 2018, from <https://sendpulse.com/blog/viral-videos-marketing>

87. A

Types of products being advertised. Regulations regarding promotion differ throughout the world. When businesses want to promote their products in other countries, they need to be aware of different regulations. One regulatory factor often involves the types of products being advertised. For example, charities may not advertise on television in the United Kingdom. In France, diet products may not be advertised on television. The cost of media placement and the price of comparable products are not regulatory factors that affect promotion. Culture is not a regulatory factor; however, culture has an impact on the regulations that affect promotion on an international level.

SOURCE: PR:101

SOURCE: Studios Guy. (n.d.). *Factors that affect marketing and advertising*. Retrieved October 25, 2018, from <https://studiousguy.com/factors-affect-marketing-advertising/>

88. C
Radio. The production costs of a radio commercial and air time are relatively inexpensive, especially when compared to television. Radio is often used as a supplementary medium to reinforce a firm's other promotional efforts. Newspapers and magazines are both print media.
SOURCE: PR:007
SOURCE: LAP-PR-003—Ad-quipping Your Business (Types of Advertising Media)
89. C
Rebate. A rebate is a return of part of the price a customer pays for a good or service after the sale, usually offered by the product's manufacturer. A coupon is a certificate that discounts a good or service when redeemed. A sweepstakes is a game of chance in which a customer wins a prize. A markdown is a reduction in the selling price of goods at the point of sale.
SOURCE: PR:249
SOURCE: Inc.com. (2018, May 17). *Rebates*. Retrieved November 29, 2018, from <http://www.inc.com/encyclopedia/rebates.html>
90. A
Trade shows. Participating in trade shows would allow Sealway to physically demonstrate the new performance features of its product to a targeted audience. Although blogs, newsletters, and press releases fall into the category of public relations, none of these activities would be able to physically demonstrate the new product features.
SOURCE: PR:250
SOURCE: IPR.org.uk. (2012). *PR tools and techniques*. Retrieved October 25, 2018, from <http://www.ipr.org.uk/pr-tools-and-techniques.html>
91. D
To arouse interest. The purpose of the headline, "Lose weight fast," is to arouse interest and encourage consumers to read further. The headline does not identify the product, promote a savings, or explain features.
SOURCE: PR:014
SOURCE: Shewan, D. (2018, August 28). *21 tips for writing great ad headlines*. Retrieved October 25, 2018, from <https://www.wordstream.com/blog/ws/2015/02/02/ppc-ad-headlines>
92. A
Use simple, easy-to-read fonts for the body copy. Making body copy easy to read will help ensure that it is read. White space can add meaning to ads just as easily as color or other design elements. When too many fonts are used, they can create a confusing, unattractive design. Bright colors may or may not be appropriate depending on the message the ad is trying to relay.
SOURCE: PR:251
SOURCE: Stribley, M. (2014, April 14). *20 design rules you should never break*. Retrieved October 25, 2018, from <https://designschool.canva.com/blog/design-rules/>
93. C
Public relations activities. Public relations is a function of business designed to establish good relations between the business and the public. One of the uses of public relations is to promote products and increase awareness of the products and of the business. To do this, businesses use a variety of public relations activities to communicate with the public and provide positive information. Creative thinking is thinking in a creative way, using the creative-thinking process. Marketing research is the systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services. The purpose of cause-related advertising is to create awareness about social causes (e.g., poverty) rather than to promote products.
SOURCE: PR:252
SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [p. 356]. Upper Saddle River, NJ: Prentice Hall.

94. A
Selling skills. Selling skills are specific techniques that have been tried and proven over time to be effective. The skills include the ability to determine customers' wants and needs, to open and close sales, to question customers, to handle customer objections, to use suggestion selling, to demonstrate products, and to follow up sales. Ethical standards deal with being honest with a customer to develop relationships. Product knowledge involves knowing product benefits and features. Self-confidence may improve after developing effective selling skills.
SOURCE: SE:017
SOURCE: LAP-SE-117—Sell Away (The Nature and Scope of Selling)
95. A
Replacing defective products. Salespeople often need to solve problems or handle customer complaints. Salespeople who are able to solve problems to a customer's satisfaction often provide the type of service that helps maintain good relationships with customers. An example of solving a problem is replacing defective products. If a customer receives a shipment of defective products and the salesperson quickly replaces those products, the customer is satisfied. As a result, customers know they can count on the salesperson to solve future problems. Customers often continue to buy from salespeople who are willing to solve problems. Offering discounts is part of the process of negotiating price rather than solving problems. It would be inappropriate to ship expensive substitutes unless the customer agrees to accept more expensive items. Making daily appointments is not an example of solving a problem.
SOURCE: SE:076
SOURCE: LAP-SE-130—Go Beyond the Sale (Customer Service in Selling)
96. D
The fact that the client needs the product. After locating potential clients, salespeople must learn about prospects' business needs and problems in order to determine how their products can meet those needs or solve those problems. Follow-up techniques are used after sales presentations. Clearly written users' manuals should identify business policies and services. A sales presentation does not depend on the location of new clients but rather on satisfaction of customer needs.
SOURCE: SE:828
SOURCE: LAP-SE-115—Keep Them Loyal (Key Factors in Building Clientele)
97. A
This product works in all situations. This type of statement might violate certain selling regulations because it might be considered misrepresentation or over-exaggeration of the product's capabilities. Making such a bold statement is the same as saying that the product works all the time, in all situations, and without problems. If there are situations when this is not exactly true, the online retailer might be guilty of misrepresentation, which could lead to the retailer being sued. The best way to avoid this problem is to qualify the statement, such as, "This product works in almost any situation." Stating that the product is great is the retailer's opinion, which is not misrepresentation. Stating that the product comes with a warranty is factual. Stating that the product might save money is also an opinion, which has been qualified by using the term "might."
SOURCE: SE:108
SOURCE: FTC. (n.d.). *Advertising and marketing*. Retrieved October 25, 2018, from <https://www.ftc.gov/tips-advice/business-center/advertising-and-marketing>
98. C
Obtain product information. Informed salespeople need to have excellent product information in order to match customer needs and wants to the appropriate products. There are many ways in which salespeople can obtain information about products, such as advertisements, marketing plans, marketing-research reports, information sheets, and product manuals. Other sources of information could include (but are not limited to) labels, displays, other salespeople, trade journals, or personal experience. Studying these materials will help a salesperson be better prepared to assist customers and help them make wise buying decisions. Salespeople do not use these materials to determine customer buying motives, overwhelm indecisive consumers, or trick customers into buying a substandard product.
SOURCE: SE:109
SOURCE: LAP-SE-113—Find Features, Boost Benefits (Feature-Benefit Selling)

99. C

Reaching closure. Reaching closure is the phase of the selling process in which the salesperson addresses customer objections and asks the customer to buy. Prescribing solutions is the phase of the selling process in which the salesperson recommends the specific products that will meet the customer's needs. During the establishing-relationships phase of the selling process, salespeople make their initial contacts with customers. When salespeople are discovering needs, they are questioning and listening to customers to determine what their customers really want or need.

SOURCE: SE:048

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

100. C

Can all exist at the same time. By understanding buyers' needs and the factors that motivate their purchases, salespeople can better help their customers. The ERG Theory indicates that needs fall into one of three categories—existence, relatedness, and growth. Similar to Maslow's Hierarchy of Needs Theory, the ERG Theory suggests that needs fall into various levels and that unsatisfied needs serve as motivators. However, the ERG Theory suggests that these unsatisfied needs can exist at the same time, whereas Maslow's theory suggests that only one level of needs can be active at a time. The ERG Theory does not imply that different types of needs have the same level of intensity or that all the needs require immediate fulfillment.

SOURCE: SE:359

SOURCE: YourCoach. (2009-2018). *ERG motivation theory Alderfer*. Retrieved November 29, 2018, from <https://www.yourcoach.be/en/employee-motivation-theories/erg-motivation-theory-alderfer.php>