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. A company that is being sued is given the opportunity to present evidence to defend itself. This is an aspect of
   A. personal rights.
   B. legislative history.
   C. legal procedure.
   D. business rules.

2. A primary responsibility of a federal regulatory agency is issuing radio and television licenses to qualified applicants. What type of authority does the agency have?
   A. Control of supply
   B. Control of rates
   C. Control of conduct
   D. Control of incorporation

3. A Japanese marketer wants to sell large quantities of DVD players in the United States. The channel of distribution this business would most likely use would be producer to
   A. agent to consumer.
   B. wholesaler to consumer.
   C. wholesaler to retailer to consumer.
   D. consumer.

4. One way that businesses use technology to move products efficiently through the distribution chain is by
   A. implementing an automatic identification system.
   B. developing company web sites to promote product.
   C. tracking the shipping expenses in a database system.
   D. encouraging the use of networked trading communities.

5. Channel members of a supply chain should be familiar with antitrust laws so they do not engage in activities that
   A. limit monopolies.
   B. hinder competition.
   C. restrict efficiency.
   D. prohibit authority.

6. Chadwell's Toy Palace is planning a "buy one, get one free" sale for some popular toys. What will the store need to do to ensure that there are enough products available to meet the changing demand?
   A. Purchase higher quantities of the sale items in a timely manner
   B. Hire additional warehouse staff for the duration of the sale
   C. Change the distribution strategy from selective to intensive
   D. Send copies of the promotional literature to the store's vendors

7. What information should a business provide its suppliers to ensure that products will be available to meet demand?
   A. Media schedule
   B. Annual report
   C. Cash flow analysis
   D. Sales forecast

8. A large online seller partners with a credit card company to leverage each other's brand values, share marketing expertise and research, and exchange skills. The two companies are involved in
   A. affiliate marketing.
   B. affinity marketing.
   C. cross linking.
   D. social media marketing.
9. You have a customer on the phone who always ends up talking about his personal life for far too long. Today, he's telling you a long story about his recent vacation. However, you have several other calls on the line and tons of work to do. How should you handle this situation?
   A. Tell the customer you don't have time to talk about personal issues, so he should stay on topic.
   B. Tell the caller you're happy to hear about his vacation, but you have to take another call.
   C. Transfer the call to someone else who has more time to talk to the customer.
   D. Talk to the customer as long as he wants to appear more interested.

10. What should the first section of an executive summary contain?
   A. A statement of the report's purpose
   B. A recommended course of action
   C. A letter of authorization
   D. An acknowledgement of the report's sponsors

11. Which of the following would most likely be viewed by an employer as an acceptable use of your personal social media site for business purposes:
   A. Talking to your significant other about what's going on in the office
   B. Chatting with a coworker online about your plans after work
   C. Posting company news to help gain employees or clients
   D. Posting photos of coworkers and customers

12. Demonstrating a customer-service mindset benefits employees by supporting their
   A. competitiveness.
   B. need to be recognized.
   C. careers.
   D. efficiency at work.

13. Recently, Miranda Corbin met with a Brazilian entrepreneur to sign a business contract. When Miranda smiled and gave the entrepreneur the “OK” sign after the contract was signed, the entrepreneur frowned in disbelief and immediately left the room. Later, Miranda learned that Brazilians view the “OK” sign as an offensive gesture. Miranda could have avoided the embarrassing breach of etiquette by
   A. conducting research about the country's culture before her meeting.
   B. learning to speak in the country's official language fluently.
   C. taking courses about Brazilian literature and history.
   D. touring the Brazilian embassy to obtain information about the country's regulations.

14. Noah wants to go on vacation, but when the price of plane tickets goes up, he decides to put off his trip. Noah's demand is
   A. complementary.
   B. constant.
   C. inelastic.
   D. elastic.

15. A clothing manufacturer in the United States allows a company in Argentina to use its name and logo in exchange for a fee and royalties. This is an example of
   A. franchising.
   B. a joint venture.
   C. licensing.
   D. exporting.

16. The Polar Bear Publishing Company, a publisher of children's books, has made adjustments to its promotion and pricing strategies to suit the current market. This is an illustration of which of the following characteristics of an adaptable organization:
   A. Flexibility
   B. Cohesiveness
   C. Cultural intelligence
   D. Strong leadership
17. A government establishes an organization that monitors and ensures that businesses are complying with advertising laws. This organization is an example of a
   A. legislative body.
   B. lobbying group.
   C. regulatory agency.
   D. watchdog corporation.

18. A small startup company decides to specialize its labor force. What is an advantage of this form of specialization?
   A. Decreased quality of work
   B. Increased worker dependency
   C. Lower production rates
   D. Simplified worker training

19. According to the law of diminishing returns, what aspect of production decreases when fixed resources have reached their maximum level of efficiency?
   A. Product usefulness
   B. Quality
   C. Lead time
   D. Outputs

20. During a job interview, the interviewer asks, "What have you done that shows your initiative?" Which of the following would be the best response:
   A. "I'm taking a computer class on my own time."
   B. "I find work enjoyable and rewarding."
   C. "I'm a team player with a positive attitude."
   D. "I get along well with my present coworkers."

21. If Charlie blames his classmates for not completing their group project on time, he is not
   A. taking accountability.
   B. communicating.
   C. preventing bias.
   D. following rules.

22. Rowan's coworker tells her that he's looking for another job. He asks Rowan to keep their conversation confidential. Rowan should
   A. tell only her boss about the conversation.
   B. not tell anyone about the conversation.
   C. tell customers about Rowan's job search.
   D. share the information only with trusted colleagues.

23. Which of the following are secondary dimensions of diversity:
   A. Family status, ethnicity, and communication style
   B. Religion, work experience, and gender
   C. Income, family status, and education level
   D. Work experience, nationality, and age

24. One way for Sidney to motivate her team members to accomplish a certain goal in a specific amount of time is by
   A. taking over their activities.
   B. removing unexpected obstacles.
   C. providing an incentive.
   D. delegating her responsibilities.

25. Acknowledging the power you possess to influence and affect other people is part of
   A. acknowledging your own biases.
   B. avoiding shortcuts.
   C. thinking before you act.
   D. determining the needs of others.
26. A government charges a $0.184 tax on each gallon of gasoline, regardless of location or price. This is an example of __________ tax.
   A. sales
   B. excise
   C. estate
   D. capital gains

27. A business wants to start selling its products in foreign markets. Managers study financial information to determine if the company has the resources to undertake this new venture. This is an example of using financial information to
   A. plan business expansion.
   B. reduce expenses.
   C. monitor ongoing business operations.
   D. check up on the competition.

28. Which of the following is the first step in a business’s accounting cycle:
   A. Collecting the source documents
   B. Journalizing transactions
   C. Balancing the books
   D. Preparing financial statements

29. What should accountants demonstrate when collecting accounting information and preparing financial documents?
   A. Empathy and flexibility
   B. An innovative attitude
   C. A collaborative mindset
   D. Professional integrity

30. Which of the following is the accounting equation:
   A. Assets = Liabilities - Owners’ Equity
   B. Owners’ Equity = Assets x Liabilities
   C. Assets = Liabilities + Owners’ Equity
   D. Liabilities = Owners’ Equity + Assets

31. Why do finance professionals continue to act unethically, despite the consequences?
   A. The finance field is full of temptations and pressures to be unethical.
   B. They are greedy and only care about making as much money as they can.
   C. They are always rewarded for their unethical behavior.
   D. There are no legal consequences for unethical actions.

32. What technology is the most effective way to interview a job applicant who is located 1,500 miles away from the company’s corporate office?
   A. Text messaging
   B. Videoconferencing
   C. Web-based email
   D. Intranet

33. LMN Company is losing market share to the RST Corporation. LMN can quickly obtain useful information about the RST’s product offerings by
   A. evaluating industry standards.
   B. analyzing economic reports.
   C. obtaining feedback from RST’s employees.
   D. visiting RST’s website.

34. In which of the following ways can a producer take advantage of information about an expanding market:
   A. By deleting current product lines
   B. By increasing production
   C. By laying off employees
   D. By buying risk protection insurance
35. Kelli accesses a professional association’s website to review information about employment trends in a specific industry. What type of research data is Kelli obtaining?
   A. Primary
   B. Internal
   C. Secondary
   D. Intermediate

36. The TUV Company wants to conduct marketing research by surveying a sample of its vast customer base. What should companies use to reduce the possibility of bias?
   A. Referral sampling
   B. Telephone interviews
   C. Random sampling
   D. Personal interviews

37. Which of the following is a technique that businesses can use to monitor their competitors’ activities:
   A. Reviewing buying motives
   B. Analyzing economic factors
   C. Studying regional data
   D. Reading annual reports

38. Which of the following statements about retrieving data for marketing decision-making is true:
   A. The less data you retrieve, the better.
   B. Many employees are involved in the process.
   C. The process should be conducted once a year.
   D. Not all companies need to retrieve data.

39. What is an effective data-collection method that provides accurate information about how people behave under normal circumstances?
   A. Interview
   B. Survey
   C. Experiment
   D. Observation

40. One reason that a business might use a telephone survey to collect marketing information instead of sending a survey through the mail is because direct mail surveys often
   A. yield low response rates.
   B. include objective questions.
   C. provide immeasurable data.
   D. confuse the survey coders.

41. An effective marketing-research questionnaire includes questions or statements that are written
   A. to address many issues or topics.
   B. to reflect the researcher’s personality.
   C. in an objective way.
   D. in an ambiguous way.

42. A marketing survey that contains questions that are to be answered on a scale of 1 to 5 with 1 being the worst and 5 being the best is an example of
   A. sorting.
   B. tabulating.
   C. coding.
   D. marking.

43. What do researchers often use to summarize and interpret vast amounts of numeric information?
   A. Research questionnaires
   B. Descriptive statistics
   C. Hypothetical samples
   D. Independent variables
44. A research study participant providing incorrect information on a questionnaire is an example of a
   A. feedback method.
   B. negative answer.
   C. false positive.
   D. response error.

45. A company needs to conduct marketing research before launching a new product, but its marketing department doesn't have a lot of money. If it wants to keep costs down, it should
   A. avoid doing marketing research.
   B. conduct in-person interviews.
   C. conduct online surveys.
   D. develop a week-long focus group.

46. Natalie searched for 45 minutes to locate an important file folder, which she found under a pile of papers in an unmarked box that was stored under her desk. What action did Natalie fail to take that would have increased her efficiency and saved the company money?
   A. Staying organized
   B. Staying on task
   C. Using supplies wisely
   D. Observing safety standards

47. Marketers plan where they need to go and how to get there efficiently in order to
   A. achieve satisfying connections.
   B. lay out their strategies.
   C. measure their success.
   D. agree upon a goal.

48. Which of the following is an important benefit of marketing plans:
   A. They can help obtain funding.
   B. They develop exciting products.
   C. They help recruit quality employees.
   D. They ensure a yearly profit.

49. The description of the quality, variety, and style of goods or services sold by your business should be included in your marketing plan's __________ section.
   A. product
   B. price
   C. place
   D. promotion

50. A situation analysis reveals that Pullman Industries will need to increase its minimum wage to $8.75 per hour in three months or face severe government fines for noncompliance. This is an example of a __________ factor that affects businesses.
   A. technological
   B. regulatory
   C. secondary
   D. managerial

51. The primary reason for a business to forecast sales is to obtain information to use in
   A. advertising copy.
   B. business planning.
   C. staff training.
   D. evaluating salespersons.
52. Which of the following is an example of unethical business behavior in relation to information management:
   A. Keeping employees' payroll records in unsecured computer databases
   B. Telling employees that the business may monitor their telephone calls at work
   C. Sharing customers' personal information with others with customers' permission
   D. Using opt-in email to communicate product information with customers

53. How has technology changed the nature of competition?
   A. Competition has significantly decreased.
   B. Companies must stay in step with new technologies.
   C. Only big companies can stay competitive.
   D. All competition is now conducted online.

54. A business wants to send a mailing to all customers who have ordered at least $2,500 in merchandise in the past year. To obtain the appropriate list of customers, the business should set the query by
   A. product code and zip code.
   B. last name and account number.
   C. sales dollars and dates.
   D. credit rating and location.

55. Which of the following is an example of an integrated software application:
   A. SMS
   B. Java
   C. Point-of-sale
   D. URL

56. Ken is developing a web page for a new bed-and-breakfast inn. He wants to add information on the web page that describes local tourist attractions and restaurants. To allow website visitors the ability to visit these other websites from the bed-and-breakfast inn's website, Ken should create
   A. a site map.
   B. portals.
   C. cookies.
   D. hyperlinks.

57. You have a large amount of customer data at your office, and you want to sort through the information and find patterns. You should use data
   A. entry.
   B. elimination.
   C. mining.
   D. creation.

58. What are the day-to-day activities required for a business to function?
   A. Finances
   B. Production
   C. Operations
   D. Selling

59. Every project creates a(n)
   A. new product.
   B. deliverable.
   C. company.
   D. advertising plan.

60. Which of the following is a tool that is specifically designed to schedule and track their projects:
   A. Pyramid diagram
   B. Gantt chart
   C. Bubble chart
   D. Venn diagram
61. Which of the following is an example of a semi-variable expense:
   A. Maintenance
   B. Property taxes
   C. Overtime
   D. Utilities

62. During a job interview, it is important to monitor nonverbal cues including your
   A. handshake and vocal intensity.
   B. posture and eye contact.
   C. diction and arm gestures.
   D. clothing and pitch.

63. Which of the following is an example of career advancement within a company:
   A. When James reached his 25-year anniversary as production manager of Whitman Manufacturing, he decided to retire.
   B. After RQW Technologies offered Dylan a similar management position and 15% salary increase, he resigned as systems manager with TechFi.com.
   C. Audrey was hired as a sales coordinator, was promoted to salesperson, and is now sales manager of CTK Corporation.
   D. Julia accepted a marketing manager position with GZA International because she became bored with her advertising coordinator position with Drexall Publishing.

64. Which of the following is an example of a businessperson obtaining professional development:
   A. Zoe reviews online publications to obtain information for a report that she is writing.
   B. Theo attends a seminar about product-standard changes that are affecting his industry.
   C. Nick asks his manager if he should attend a company meeting that is being held next month.
   D. Talia organizes a community-service event that her employer sponsors every year.

65. Kwacky Kwackers needs a new package design for its crackers. What marketing professional would be responsible for creating the new package?
   A. Marketing research
   B. Product management
   C. Advertising
   D. Channel management

66. Inez runs an organic soap-making business. If she gives her soap a high price, she is most likely to attract customers who
   A. are looking for prestige.
   B. want to save money.
   C. like to buy from local merchants.
   D. do their shopping online.

67. One advantage of using certain software programs in the process of determining price is that these programs allow businesses to find out what effect different prices will have on the
   A. target market.
   B. bottom line.
   C. competition.
   D. operating cost.

68. To prevent unfair loss-leader pricing practices, some governments have passed laws that require businesses to set prices that
   A. maintain price floors.
   B. appeal to customers.
   C. encourage coupon use.
   D. maximize discounts.
69. Which of the following is prohibited by government regulation:
   A. Businesses that show the price per unit along with the total price of the item
   B. Businesses that avoid agreeing on a price range for a product
   C. Businesses that offer premiums without explaining the terms to the customer
   D. Businesses that charge the same price to similar customers in similar situations

70. Which of the following is a reason that many products go into decline:
   A. The market is saturated.
   B. Customer tastes stay the same.
   C. No better products are available.
   D. They are outlawed by the government.

71. Which of the following is an example of a business behaving ethically in an effort to protect consumers:
   A. Explaining the new manufacturing process
   B. Wrapping products in plain paper
   C. Placing informative commercials on television
   D. Using tamper-resistant packaging

72. When engaging in the Six Thinking Hats idea-generation technique, the red hat focuses on the
   A. creation of new ideas.
   B. available facts and data.
   C. emotions, feelings, and intuition.
   D. negative aspects of the situation.

73. During the idea-generating process, a business should first consider how the product would fulfill the
   ___________ needs.
   A. industry's
   B. business's
   C. customers'
   D. managers'

74. "Your money back if not satisfied" is an example of a
   A. guarantee.
   B. warranty.
   C. recourse.
   D. strategy.

75. Franklin Juice Company produced and aired television commercials that stated that drinking its new
   beverage daily would prevent the common cold and headaches. What federal agency would charge the
   company for providing false, misleading, and deceptive advertising?
   A. Consumer Affairs Department
   B. Food and Drug Administration
   C. Federal Trade Commission
   D. Consumer Product Safety Commission

76. Which of the following product mix strategies is a business using when it makes changes to aspects of its
    product items, such as packaging or pricing:
    A. Collaboration
    B. Contraction
    C. Expansion
    D. Alteration

77. To attract a value-oriented market, Premier Cosmetics Company is adding a lower priced product line to
    its product mix. What product-mix strategy is Premier using?
    A. Cannibalization
    B. Trading up
    C. Trading down
    D. Polarization
78. A characteristic of product bundling is that a business sells several products together for a(n)
   A. reduced price.
   B. higher interest rate.
   C. higher profit margin.
   D. unlimited time.

79. Ensuring that customers have the correct perception of a product is one of the goals of product
   A. management.
   B. development.
   C. positioning.
   D. screening.

80. It is important for a brand name to be
   A. easily remembered.
   B. as long as possible.
   C. open to interpretation.
   D. accompanied by a symbol.

81. Stakeholders, employees, customers, and the media are important considerations when a business
    defines its
   A. product image.
   B. corporate brand.
   C. advertising program.
   D. financial assets.

82. Which of the following is an example of a purchase experience touchpoint:
   A. Warranty programs
   B. Word-of-mouth
   C. Customer satisfaction surveys
   D. Direct sales

83. Which of the following is a reason that a very large company might spend billions of dollars on promotion
    to create a specific company image:
   A. To explain issues to customers
   B. To limit customer awareness
   C. To develop customer loyalty
   D. To provide customers with information

84. A promotional mix usually contains a combination of
   A. advertising, sales promotion, publicity, and personal selling.
   B. pricing, personal selling, advertising, and sales promotion.
   C. display, advertising, publicity, and pricing.
   D. customer services, pricing, publicity, and personal selling.

85. If a manufacturer has chosen to advertise on national radio and in magazines, which of the following
    factors has influenced the promotional mix:
   A. Geographical location of the market
   B. Need for face-to-face promotion
   C. Limited promotional funds
   D. Technical aspects of the product

86. What do many businesses use to send electronic advertising messages to thousands of customers at the
    same time?
   A. Pop-up ads
   B. Email
   C. Search engine optimization
   D. Banner ads
87. If a business advertises inaccurate information in a newspaper advertisement, government regulations might require the business to
   A. pay a fine to the newspaper.
   B. place corrective advertising in the newspaper.
   C. change its product specifications.
   D. sign a consent decree.

88. One reason why television is popular with advertisers is because it is the
   A. medium that delivers more memorable, believable ads.
   B. only broadcast medium that offers local programming.
   C. second most influential type of advertising media.
   D. least expensive type of advertising media.

89. What best describes the goal of amplified word-of-mouth?
   A. Improving the quality of goods and services the business offers
   B. Encouraging customers to provide both positive and negative feedback
   C. Building loyal relationships with the customers
   D. Providing information to activists to share with others

90. Your new advertising client is describing what s/he wants in a print ad. S/He keeps emphasizing that "a picture is worth a thousand words." Based on this statement, what element of the print ad should you focus on?
   A. Identification
   B. Copy
   C. Headline
   D. Illustration

91. Why is it important to coordinate the elements in advertisements?
   A. To simplify the message
   B. To analyze the objective
   C. To strengthen the theme
   D. To locate the audience

92. Lonnie wants to advertise his new business in the local newspaper. What should Lonnie do to ensure that the print ad is appealing to its target market?
   A. Select a variety of bold fonts and unrelated graphics
   B. Focus more on the text and less on graphics
   C. Use testimonials from celebrities in the news
   D. Coordinate the advertisement's elements

93. What is one of the functions of certain types of public relations activities?
   A. Sales management
   B. Product research
   C. Market segmentation
   D. Damage control

94. Sears buys trucks to make deliveries. These trucks are an example of products that are sold for
   A. use in the production of other goods.
   B. use in the operation of the business.
   C. resale to the industrial user.
   D. resale to the ultimate consumer.

95. To be effective in developing relationships with customers, the service that salespeople provide must
   A. include customers’ employees.
   B. save money for customers.
   C. be the same for all customers.
   D. meet customers' needs.
96. What is a benefit to the salesperson of building a clientele?
   A. Obtaining referrals from loyal customers
   B. Reducing selling costs
   C. Supporting the company image
   D. Securing customer acceptance of higher prices

97. A salesperson tells a customer that s/he has the legal right to cancel the contract within three days of signing the agreement without penalty. This is an example of a
   A. tying agreement.
   B. cooling-off law.
   C. return policy.
   D. reciprocity law.

98. During a sales presentation on a new line of shirts, the retail customer asks a question about the product that you cannot answer. Who should be able to answer the customer's question quickly and accurately?
   A. The buyer
   B. The manufacturer's representative
   C. Another customer
   D. The department manager

99. A salesperson tells a customer, "Mrs. Wentworth, not only does this e-reader provide you the ability to read and store written literature, but its WiFi capabilities allow you to download and listen to audio books and surf the Internet." What feature-benefit is the salesperson communicating to the customer?
   A. Construction and materials
   B. Product uses
   C. Durability
   D. Appearance and style

100. Which of the following is the motivational theory that suggests people's buying needs are classified in order of importance from basic to complex:
    A. Adam's Equity Theory
    B. McClelland's Acquired Needs Theory
    C. Maslow's Hierarchy of Needs Theory
    D. Vroom's Expectancy Theory
Marketing Exam

Fashion Merchandising and Marketing Event
Marketing Management Event
Sales Management Meeting Event

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1. C
Legal procedure. Procedural law controls the workings of courts and the method by which rights are enforced. Legal procedure means that rights must be enforced in court, so the business is guaranteed an opportunity to present evidence to defend itself. This is not because of legislative history, personal rights, or business rules.
SOURCE: BL:070

2. A
Control of supply. Administrative law is a branch of law that addresses the rules and regulations that have been established by governmental agencies. The legislative branch of the government (i.e., U.S. Congress and Canadian Parliament) establishes governmental agencies and gives them authority to enact and enforce regulations for three specific administrative functions. One administrative function is the control of supply for specific activities. In the United States, the Federal Communications Commission (FCC) is responsible for issuing radio and television licenses to applicants that meet the agency's standards. The control of rates involves regulating the prices for services such as utilities. Control of conduct focuses on the disclosure of information by businesses to consumers. Incorporation is the process of establishing a corporation as a form of business ownership.
SOURCE: BL:074

3. C
Wholesaler to retailer to consumer. This channel would be the most efficient because of the distances and amount of product involved. The wholesaler can buy in large quantities from the producer and sell smaller quantities to the retailer, who will then sell consumers as few or as many DVD players as desired. By definition, wholesalers do not sell directly to consumers. Agents may be found in the channel but would not relate directly with a consumer.
SOURCE: CM:003
SOURCE: LAP-CM-003—Channel It (Channels of Distribution)

4. A
Implementing an automatic identification system. An automatic identification system uses electronic bar coding symbols to transmit information. Businesses often use bar coding as a way to keep track of their inventory and reorder stock. Bar coding eliminates the need to process inventory manually, which takes much more time and is subject to a higher rate of error. Although tracking shipping expenses through a database system and developing web sites require technology to operate, products do not necessarily move through the distribution chain more efficiently. Use of networked trading communities can potentially increase the efficiency of product movement. However, merely encouraging use of networked systems does not increase product movement efficiency.
SOURCE: CM:004

5. B
Hinder competition. Antitrust laws are regulations that prevent a person or company from taking any actions to restrain free trade and competition in the marketplace. Businesses should understand the types of business activities that violate antitrust laws, so they do not engage in them. If a business requires tying agreements or attempts to create a monopoly, it may be violating antitrust laws. The government fines a business when it violates antitrust laws. Actions that restrict efficiency or prohibit authority do not violate antitrust laws.
SOURCE: CM:005
6. A
Purchase higher quantities of the sale items in a timely manner. Channel management is the process by which marketers ensure that products are distributed to customers efficiently and effectively. Coordinating channel management with other marketing activities is important because the store must have items available to sell to the customers. This involves ordering the appropriate amount of items and ensuring that the items are delivered to the store before the promotional event or sale. Stores that promote goods they do not have in stock often annoy the customers who want to buy the items. A selective distribution strategy is a distribution pattern in which a producer sells a product through a limited number of intermediaries in a geographic location. An intensive distribution strategy involves a producer selling a product through every available intermediary. A business would not change its overall distribution strategy for a single promotional event. Hiring additional warehouse staff and sending copies of promotional literature to vendors will not ensure that the store has enough products available to meet the demand for the items during the sale.


7. D
Sales forecast. A sales forecast is a prediction of future sales over a specific period of time. When a business shares its sales forecast with its vendors, they have time to plan and make sure that they have the products available when and where the products are needed. An annual report, a cash flow analysis, and a media schedule do not provide the information that vendors need to plan their inventory and delivery strategies.


8. B
Affinity marketing. Affinity marketing is a partnership between multiple businesses to provide goods in exchange for access to a new market. Affiliate marketing is the process of promoting and selling another business’s products in exchange for a sales commission. Cross linking is promoting your company on another company’s website and allowing them to promote their company on your website. Social media marketing is promoting your company over social media channels.


9. B
Tell the caller you're happy to hear about his vacation, but you have to take another call. It's important to be as professional and polite as possible, even if a talkative caller is taking up too much of your work time. By saying something courteous yet assertive, like, "I'm happy to hear about your vacation, but I have to take another call now," you're letting the caller know that you appreciate his personal stories, but that you also have work to do. This customer brings money to your business, so you don't want to be rude or risk offending him. You shouldn't tell the customer that you don't have time for him, even if he's just telling personal stories. You also shouldn't transfer the call to another person, as that would be considered rude both to the customer and your coworker. Although it's important to sound interested when you're talking to a customer, you shouldn't talk to them for too long, especially not if you have important work to do. It's necessary to strike a good balance between making a customer connection and asserting yourself.

10. A
A statement of the report’s purpose. The executive summary provides an overview of the entire report and contains the most important information included in the body of the report. The first section of the executive summary should inform the reader about the purpose of the report—the reason the report exists. For example, if the report addresses a specific business problem, the report should cite the problem in the purpose statement of the executive summary. Recommendations are addressed in the recommendations section of the report. A letter of authorization might be included in a proposal that a business submits to a potential client. By signing the letter of authorization, the client provides approval to proceed with an activity or project. The first section of an executive summary does not acknowledge sponsors. Sponsors support activities, events, or projects rather than reports.

SOURCE: CO:091

11. C
Posting company news to help gain employees or clients. Although company policies differ, using social media for business purposes is becoming more and more common. Many companies urge employees to use social media to gain employees and clients. Chatting with coworkers about after hour plans, talking to your significant other, and posting photos of coworkers and customers are most likely for personal use and may not be appropriate depending on the work environment.

SOURCE: CO:206

12. C
Careers. Employees who demonstrate a customer-service mindset often receive compliments from customers, positive performance evaluations, raises, and/or promotions. Efficiency, competitiveness, and the need to be recognized vary from person to person.

SOURCE: CR:004
SOURCE: LAP-CR-004—Set Your Mind to It (Customer-Service Mindset)

13. A
Conducting research about the country’s culture before her meeting. Businesspeople should try to learn as much as they can about a client’s culture, customs, and social values before interacting with them. By understanding and being aware of cultural differences, businesspeople can adapt their communication styles to make a positive impression on their clients and not offend them by using gestures that the culture finds offensive. Learning to speak basic phrases in the country’s language and learning about the country’s literature and history might be helpful and interesting; however, these actions would not have helped Miranda learn about the current cultural and social habits that differ from her native country. Also, touring the Brazilian embassy to learn about the country’s regulations would not have helped Miranda understand that certain gestures should not be used while meeting with Brazilians.

SOURCE: CR:019

14. D
Elastic. When demand is elastic, consumers adjust demand for products based on price. This means that demand changes when prices change. When prices go up, consumers often cut back and buy less. This is what Noah does when the price of plane tickets goes up. Inelastic demand exists if the demand for a good or service is constant, even if the product’s price changes. Elastic demand is not constant. Complementary refers to products that are usually used together.

SOURCE: EC:005
SOURCE: LAP-EC-011—It’s the Law (Supply and Demand)
15. C
Licensing. Licensing occurs when one company allows another to produce and market its products in exchange for royalties. A joint venture is an arrangement that involves two or more businesses entering into a relationship by combining complementary resources, such as technology, skills, capital, or distribution channels, for the benefit of all parties. Franchising is a contractual agreement between a parent company and a franchisee to distribute goods or services. Exporting is selling domestic goods in a foreign nation.
SOURCE: EC:104
SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

16. A
Flexibility. The Polar Bear Publishing Company's willingness to adjust its promotion and pricing strategies to reflect the current market is a sign of its flexibility, or ability to adapt to changes. Cohesiveness refers to working together smoothly as a team. Cultural intelligence means being sensitive to the customs and traditions of people from different cultural backgrounds. The changes the company made may or may not be in response to strong leadership.
SOURCE: EC:107
SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)

17. C
Regulatory agency. Established by the government, a regulatory or watchdog agency is an organization that monitors business activities and ensures that businesses follow the law. Some regulatory agencies have the authority to impose fines or other types of punishment on businesses that violate the law. The legislative body consists of government officials who develop and enact the laws. Lobbying groups are special-interest organizations that work to influence government policies. The government does not establish corporations to monitor businesses and enforce laws.
SOURCE: EC:008
SOURCE: LAP-EC-016—Regulate and Protect (Government and Business)

18. D
Simplified worker training. Simplified worker training is an advantage of specialization by stage of production or tasks because employees are able to focus on one piece of the total job instead of learning multiple tasks. Worker dependency is a disadvantage of specialization because employees need to rely on each other to complete a task. Production rates normally increase through specialization, as does the quality of work.
SOURCE: EC:014
SOURCE: LAP-EC-007—Divide and Conquer (Specialization and Division of Labor)

19. D
Outputs. The law of diminishing returns is an economic principle stating that after a certain point, hiring additional employees will result in a decrease in the overall level of production. Most often, available resources are finite, which means that there are fixed amounts of resources (e.g., equipment) available to produce goods and services. Overall productivity reaches its peak when there are a certain number of employees using all of the available resources to do the work. When there are too many laborers and not enough fixed resources, resource efficiency and output decreases. The reduction of outputs does not necessarily affect product quality, order lead time, or product usefulness.
SOURCE: EC:023
SOURCE: LAP-EC-031—Know Your Limits (Law of Diminishing Returns)

20. A
"I'm taking a computer class on my own time." Initiative is the willingness to act without having to be told to do so. This individual is improving his/her skills without having been asked to do so by the company. Finding work enjoyable and rewarding, being a team player with a positive attitude, and getting along well with coworkers are admirable traits but not examples of initiative.
SOURCE: EI:024
SOURCE: LAP-EI-002—Hustle! (Taking Initiative at Work)
21. A
Taking accountability. Taking accountability means being responsible for your choices, actions, and
decisions—and not blaming others when things go wrong. To treat his group fairly, Charlie should not
blame them for not completing the project on time. He should accept his fair share of the responsibility. In
this situation, there is no indication that Charlie is not communicating, preventing bias, or following rules.
SOURCE: EI:127
SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)

22. B
Not tell anyone about the conversation. If Rowan's coworker asks her to keep their conversation
confidential, she should not tell anyone what they discussed. This means not telling her boss, her
customers, or even a trusted colleague.
SOURCE: EI:103
SOURCE: Ashe-Edmunds, S. (2016, November 9). What is the meaning of confidentiality in the
confidentiality-workplace-21886.html

23. C
Income, family status, and education level. Secondary dimensions of diversity are differences that may
change at various points throughout one's lifetime and include such characteristics as language, religion,
income, geographic location, family status, communication style, and education level. Primary
dimensions of diversity are inborn differences that cannot be changed and affect a person's entire life
and include such characteristics as age, gender, race/ethnicity, nationality, physical traits, and abilities
(both mental and physical).
SOURCE: EI:033
SOURCE: LAP-EI-011—Getting To Know You (Cultural Sensitivity)

24. C
Providing an incentive. An incentive is something that will fulfill a desire or need. Incentives often help
motivate team members to finish a project or perform a task, which helps the business achieve its goals.
Incentives may include anything from a free lunch and comp time to a large bonus. Taking over activities
and delegating responsibilities do not necessarily motivate others to take a certain course of action. And,
while it would be nice to be able to remove unexpected obstacles, it's not possible to do so.
SOURCE: EI:059
SOURCE: LAP-EI-059—Raise Them Up (Motivating Others)

25. C
Thinking before you act. Acknowledging the power you possess to influence and affect other people is
part of thinking before you act. It's the first step in the process of assessing the long-term value and
impact of your actions on others. Avoiding shortcuts, acknowledging your own knowledge gaps and
biases, and determining the needs of others are all steps that occur later in the process.
SOURCE: EI:137
SOURCE: LAP-EI-137—Choose for the Future (Assessing the Long-Term Value and Impact of Actions
on Others)

26. B
Excise. Excise taxes are specific, targeted taxes that are applied to specific goods and use a flat rate. In
contrast, sales tax applies to almost every purchase and is a percentage of the sale price. Sales taxes
also vary by state and by the type of item bought. Estate tax is imposed on the transfer of property upon
the death of the owner. Capital gains tax is charged on profits made from the sale of assets such as
stock or real estate.
SOURCE: FI:067
https://www.debt.org/tax/type/
27. A
Plan business expansion. Moving into foreign markets is a type of business expansion, and managers must ensure the company can afford it. Moving into foreign markets is not a way to reduce expenses, monitor ongoing business operations, or check up on the competition.
SOURCE: FI:579
SOURCE: LAP-FI-009—By the Numbers (The Need for Financial Information)

28. A
Collecting the source documents. The accounting cycle is the process that a business uses to maintain its financial records. The first step involves collecting all of the necessary financial records or source documents—checks, receipts, invoices, purchase orders, etc. Without this basic information, the business cannot journalize the transactions, balance the books, or prepare financial statements, which are subsequent steps in the accounting cycle.
SOURCE: FI:085
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

29. D
Professional integrity. Demonstrating integrity involves adhering to an established set of personal ethics and sound moral principles. Ethics are the basic principles that govern an individual's behavior. The role of ethics in accounting is to serve as a guide for professional conduct. This is important because accounting involves keeping and interpreting financial records, which managers and stakeholders use to make decisions about the business. Therefore, accounting professionals must demonstrate professional integrity to ensure that the information they collect and present is accurate and objective. Although innovation, collaboration, empathy, and flexibility are admirable traits, preparing accurate and objective financial information does not require accounting professionals to demonstrate these characteristics.
SOURCE: FI:351
SOURCE: LAP-FI-351—With Due Care (The Role of Ethics in Accounting)

30. C
Assets = Liabilities + Owners' Equity. The accounting equation states that a business's assets are equal to its liabilities plus owners' equity. This means that a business obtains all of its assets through two sources—borrowing and investment. None of the other equations shown are the accounting equation.
SOURCE: FI:093
SOURCE: LAP-FI-010—The Right Balance (The Nature of Balance Sheets)

31. A
The finance field is full of temptations and pressures to be unethical. Unfortunately, the finance field is full of temptations and pressures to engage in unethical behavior. Financial professionals are confronted with a wide range of ethical dilemmas. Most financial professionals are not greedy and singularly concerned with making money. Financial professionals are not always rewarded for unethical behavior. Finally, there can be legal consequences for unethical actions.
SOURCE: FI:355
SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

32. B
Videoconferencing. Holding a video conference allows the interviewer to see the applicant and his/her reactions to the questions. Text messaging and email applications involve typing on a smartphone or a computer. These methods are time consuming and do not allow the interviewer to see or hear the applicant. An intranet is a business's internal computer network.
SOURCE: HR:412
33. D
Visiting RST's website. A business needs to determine why it is losing market share to another company so it can take corrective action. Visiting the competitor's website is a quick, inexpensive way to learn about a competitor's activities. The website is likely to post photos of its products and list product specifications, customer testimonials, and other information that the business can use to evaluate the competitor's activities. Economic reports and industry standards will not provide specific information about the competitor's products and activities. RST's employees are unlikely to provide information to a competitor.
SOURCE: IM:012
SOURCE: LAP-IM-012—Data Do It (Need for Marketing Data)

34. B
By increasing production. An expanding market may include an increase in product lines, quality, and sales. An expanding market also implies a positive outlook and potential. Laying off employees and deleting current product lines usually accompany a negative outlook. Buying risk insurance is good business practice but does not indicate an expanding or a contracting market.
SOURCE: IM:001
SOURCE: LAP-IM-002—Get the Facts Straight (Marketing-Information Management)

35. C
Secondary. Secondary data are information collected for purposes other than the project at hand. Researchers often find relevant, timely secondary information about trends, statistics, and regulations about a specific trade or industry on professional association websites. Primary are facts collected for a specific problem or project at hand. Internal data comes from within the business, such as sales and customer data. Intermediate is not a type of marketing-research data.
SOURCE: IM:281
SOURCE: LAP-IM-015—What's the Source? (Obtaining Marketing-Research Data)

36. C
Random sampling. Because it isn't feasible to survey a large target market, researchers often survey a representative group or sample of the target market. Random sampling exists when each member of the sample group has an equal chance or the same opportunity to be selected to participate in the survey. An advantage to random sampling is that the data are less likely to be biased or skewed. Researchers might use interviews (e.g., personal, telephone) when they want to obtain more in-depth information. The disadvantage to using the interview method is there is a higher risk of interviewer bias. Referral sampling is commonly called snowball sampling. This method involves obtaining recommendations of other potential sample-group members from the selected sample respondents.
SOURCE: IM:285
SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)

37. D
Reading annual reports. Businesses often monitor their competitors' activities in order to make marketing decisions that will help them to stay competitive. Businesses can obtain valuable information by reading their competitors' annual reports that often list major customers and describe successful promotional activities. Annual reports also include information about profitability, sales volume, new product development, and expansion. Businesses can use this information to develop similar products or to expand their sales area. Economic factors involve the state of the local economy. Regional data include geographic and demographic information about the area. Buying motives are the reasons or benefits that cause people to make purchases to satisfy wants and needs.
SOURCE: IM:184
SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)
38. B
Many employees are involved in the process. Many employees are involved in the process of retrieving data that are useful for marketing decision-making. Salespeople must submit their call reports and expense reports in a timely and accurate manner. Shipping managers must know what products have gone where, and when. Though it's important not to create information overload, it's not necessarily true that the less data you retrieve, the better. Retrieving useful data is a continuous process, not something that should happen just one time per year. Every company should retrieve, organize, and analyze data for marketing decision-making.
SOURCE: IM:184
SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)

39. D
Observation. Observation is a marketing-research method that gathers data by watching consumers. It is an effective research approach that provides information about what they do and how they interact with others. People do not know they are being observed so they behave in a normal way that provides useful information. The survey, experiment, and interview methods involve contact with people so they may not provide the most truthful or accurate information about what they do.
SOURCE: IM:289
SOURCE: LAP-IM-017—Hunting and Gathering (Data-Collection Methods)

40. A
Yield low response rates. Direct mail, which is sent to consumers' homes and businesses, is often discarded before the recipients read it. This occurs because many consumers receive a lot of direct mail, which often overwhelms them. Because much of the direct mail is ignored or discarded, the survey is less likely to be completed and returned to the business. When this occurs, the business yields low survey response rates. Therefore, a business may decide to conduct telephone surveys with their existing customers to gather marketing information to ensure a response from the customer. A business would not select the telephone survey over the direct mail survey if the survey contains objective questions. If the business collects qualitative data (e.g., opinions), which are immeasurable by nature, the business codes or rates the responses with numerical values. Survey coders are responsible for coding a survey's responses and are not the reason for a survey's low response rates.
SOURCE: IM:289
SOURCE: LAP-IM-017—Hunting and Gathering (Data-Collection Methods)

41. C
In an objective way. The goal of marketing research is to obtain honest, reliable, and valid information to facilitate decision making. For this to happen, researchers must develop objective, unbiased questionnaires. This means that the questionnaires should not be worded in a way that influences the respondents' answers. The questions or statements should be written clearly and should address one topic or issue at a time so that respondents are not confused. The questionnaires should not reflect the researcher's personality, which may affect the questionnaire's objectivity.
SOURCE: IM:418

42. C
Coding. Coding is the process of assigning a numeric value to the various responses on a marketing questionnaire or survey. Some questionnaires contain built-in codes, such as when the respondent is asked to rate agreement with a question on a scale of 1 to 5. The numbers from 1 to 5 are the numeric codes. For other types of questionnaires, researchers often establish a master code. For example, there are six possible responses to a certain question and the third answer has a numeric value of 3, but that number is not printed on the questionnaire. Tabulating the responses occurs after the surveys are completed. Sorting and marking do not assign numeric values to each response on a marketing questionnaire.
SOURCE: IM:062
43. B
Descriptive statistics. Researchers often use descriptive statistics to summarize and interpret the vast amounts of numeric information they collect. Descriptive statistics include measurements such as mean, mode, median, range, and standard deviation. These types of measurements help researchers to summarize numeric information in terms of number of responses, frequency of use, average distribution, and various other relationships. Researchers often use questionnaires to obtain numeric information. Researchers do not use hypothetical samples or independent variables to summarize and interpret numeric information.
SOURCE: IM:191

44. D
Response error. One of the issues associated with collecting research information is the possibility that some of the information will be incorrect. A participant providing incorrect information is an example of a response error that may affect the accuracy of the research results. There are many reasons why a participant might give an incorrect answer, such as not understanding the question. A participant providing incorrect information on a questionnaire is not an example of a negative answer, a false positive, or a feedback method.
SOURCE: IM:292

45. C
Conduct online surveys. Some methods of marketing research are more expensive than others, and it's important for marketers to take their budgets into account when selecting a method. Online surveys are often a less expensive option than in-person interviews. A week-long focus group would likely be expensive. The company should not avoid doing marketing research entirely.
SOURCE: IM:428

46. A
Staying organized. Employees can help their employers reach their objectives by working efficiently. To work efficiently, employees should be organized and have a system for keeping track of their work and supplies. Because Natalie's workspace was not organized, she spent a lot of time looking for a file instead of working on something more productive. There is not enough information provided to determine if Natalie has problems staying on task, using supplies wisely, or observing safety standards.
SOURCE: MK:015
SOURCE: LAP-MK-002—Act Now! (Employee Actions and Company Goals)

47. A
Achieve satisfying connections. Agreeing upon a goal, laying out their strategies, and measuring their success are steps marketers take toward reaching their ultimate aim of providing satisfying connections between producers and customers.
SOURCE: MP:001
SOURCE: LAP-MP-002—Pick the Mix (Nature of Marketing Strategies)

48. A
They can help obtain funding. An important benefit of marketing plans is that they can help the marketing team obtain needed funding, either from the company budget or from outside investors. Marketing plans outline important marketing information and strategies; they do not develop products or recruit employees. While they contribute to a firm’s success, marketing plans do not necessarily ensure a yearly profit.
SOURCE: MP:007
SOURCE: LAP-MP-007—A Winning Plan (Nature of Marketing Plans)
49. A
Product. The product section should also describe your competition and how you expect to meet and surpass it, as well as addressing any aspect of a product that involves risk. The price section should identify the range of prices to be offered. The place section should address location, suppliers, and inventory management. The promotion section should describe how efforts will be coordinated to increase sales.
SOURCE: MP:007
SOURCE: LAP-MP-007—A Winning Plan (Nature of Marketing Plans)

50. B
Regulatory. A business conducts a situation analysis to determine the firm's current business situation and the direction in which the business is headed. A comprehensive situation analysis involves evaluating internal and external conditions. A regulation change, such as a minimum-wage increase, is an example of an external change that affects a business. The situation presented is not an example of a technological, secondary, or managerial factor that affects businesses.
SOURCE: MP:008

51. B
Business planning. A business uses the projected sales income to make major business decisions such as scheduling production, setting prices, purchasing materials and equipment, and hiring staff. Information used in training staff and preparing advertising copy comes from other sources within the business. Analyzing past sales, rather than forecasting sales, would be helpful in evaluating salespersons.
SOURCE: MP:013
SOURCE: LAP-MP-005—Futurecast (The Nature of Sales Forecasts)

52. A
Keeping employees' payroll records in unsecured computer databases. Businesses have an ethical obligation to store their confidential information (e.g., payroll records) in secure and confidential ways. One way to protect confidential information is to limit others' accessibility to it. Requiring qualified employees to use computer passwords to access the confidential information can reduce the risk of unethical behavior—such as snooping or spying. Telling employees about telephone monitoring policies, requesting customers' permission to share their information with others, and using opt-in email to communicate with customers are ethical actions.
SOURCE: NF:111

53. B
Companies must stay in step with new technologies. To remain competitive, companies must stay in step with creating and using the newest technologies. Technology has increased the intensity of business competition and has allowed smaller businesses to compete with larger ones. Not all competitive business activities are conducted online.
SOURCE: NF:003
SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)
54. C
Sales dollars and dates. A database software program allows a business to sort customer information by various criteria—customer name, sales volume, customer type, zip code, etc. Queries are database fields that the business uses to sort the data. The type of data that the business wants to retrieve or analyze determines the database query (sorting mechanism) that the business uses. To obtain the desired customer list, the query should include the minimal sales dollars ($2,500) and the desired dates (e.g., April 2, 2010 - March 31, 2011). The product codes, the customers' last names, account numbers, zip codes, cities, and credit ratings will not yield the desired results.

55. C
Point-of-sale. There are many point-of-sale software applications that enable businesses to perform a variety of functions beyond the point of sale. Some of these functions include placing orders, controlling inventory, placing special orders, etc. SMS is an abbreviation for short messaging service and is used to send text messages on a variety of cell phones. Java is a computer-programming language. URL or uniform resource locator is the website's web address.

56. D
Hyperlinks. A hyperlink is a component of an electronic document that can be clicked on in order to jump to another place within the document or into a different document. By linking the inn's website with the website of area attractions, the site visitor can immediately go to an attraction's website to obtain further information such as location, hours, services, etc. A portal is a popular starting point for surfing the Web (e.g., Yahoo!). Cookies are text files that are put on a website visitor's hard disk and then later retrieved during subsequent visits to the site in order to track Internet behavior. A site map is a flowchart that puts information on the Web in a logical format, so that Internet users can find what they are looking for.

57. C
Mining. Data mining involves processing information and finding patterns. If you want to find patterns in your customer data, you should use data mining, not data elimination, entry, or creation.

58. C
Operations. Operations are the day-to-day activities required for continued business functioning. These activities include buying the necessary materials and supplies, hiring employees to do the work, maintaining the facilities, etc. Without these activities, there would be no business. Production is the process or activity of producing goods and services. Finances involve the funds needed to achieve the goals of the business. 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.
SOURCE: OP:189
59. B
Deliverable. Every project creates a deliverable, a quantifiable result. This might be a new product, but it could also be an improved product, a new business process, etc. Every project does not create a new company or an advertising plan.
SOURCE: OP:158
SOURCE: LAP-OP-006—Projected to Win (Nature of Project Management)

60. B
Gantt chart. Developed by Henry Gantt, the Gantt chart is a type of bar chart that is specifically designed to graphically depict a project's work breakdown structure in a horizontal format in relation to time. Project managers often use Gantt charts to schedule and track the progress of their projects. A pyramid diagram or chart presents data in a hierarchical format. A bubble chart is a type of scatter chart that is often used to compare data. A Venn diagram indicates the overlapping relationships among finite sets of data. Pyramid diagrams, bubble charts, and Venn diagrams are not tools that are specifically designed to schedule and track projects.
SOURCE: OP:002

61. C
Overtime. Overtime is a semi-variable expense. Wages are fixed until a certain point (e.g., 40 hours); after that, they become variable according to how many extra hours are worked. Property taxes, maintenance, and utilities are all examples of fixed expenses.
SOURCE: OP:024
SOURCE: LAP-OP-009—Watch Your (Over) Head (Overhead/Operating Costs)

62. B
Posture and eye contact. Employers are more likely to hire enthusiastic people who appear confident in their abilities. Your gestures and posture communicate a lot about how you feel about yourself, so it is important to watch your nonverbal cues during a job interview. Using a firm handshake and exhibiting good posture indicate that you are self-confident. Maintaining eye contact and nodding your head show the interviewer that you are listening to him/her. And your clothing can communicate your personality and the level of care that you take with your appearance. Crossing your arms may suggest that you are uncomfortable or that you disagree with something the other person is saying. Vocal intensity, pitch, and diction are important verbal cues that you should monitor during the interview.
SOURCE: PD:028

63. C
Audrey was hired as a sales coordinator, was promoted to salesperson, and is now sales manager of CTK Corporation. Many companies promote from within, so the creation of new jobs opens the door for current employees to be considered for a promotion. The opportunity for promotion often occurs when employees retire or leave the company or the company expands and creates new positions. Each time Audrey was promoted within her company, she worked in the same business and her responsibilities increased, which is how careers often advance. There is not enough information provided to know if James held other positions within the company before he became production manager. Dylan's job change was a lateral move to another company. Julia's job change involved obtaining a more responsible position with another company.
SOURCE: PD:034
64. B
Theo attends a seminar about product-standard changes that are affecting his industry. Professional development consists of steps that an individual takes to enhance or improve skills or traits that are needed to excel in her/his career or profession. Attending a seminar to learn about changes that are occurring in your field or industry is one form of professional development. Zoe and Talia are performing work-related tasks, and Nick is asking a work-related question.


65. B
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

66. A
Are looking for prestige. Different companies seek to attract different types of customers. Low prices attract customers who want to save money, while high prices attract customers looking for prestige and high quality. Higher prices are not necessarily going to attract customers who like to buy from local merchants or those who do their shopping online.

SOURCE: PI:001
SOURCE: LAP-PI-002—The Price Is Right (Nature of Pricing)

67. B
Bottom line. Certain types of computer software programs enable businesses to experiment with prices before deciding on the actual price to charge. A business can plug in different prices for various items to find out what effect each price will have on the bottom line, or net outcome. Businesses use computer software programs to determine which price will be the most profitable as well as the most appealing to customers before setting the price. The target market is the particular group of customers a business seeks to attract. Competition is the rivalry between two or more businesses to attract scarce customer dollars. Operating cost is all of the expense involved in running a business.

SOURCE: PI:016

68. A
Maintain price floors. Loss-leader pricing occurs when a business prices and sells a product below cost. This can negatively affect the competitive environment because small businesses cannot afford to price goods and services at the same price as loss-leader products. This restrains competition and drives small companies out of business. To prevent this situation from occurring, some governments pass laws mandating certain products be sold at a minimum price or price floor. Governments do not pass laws requiring businesses to price products that appeal to customers, encourage coupon use, or maximize discounts.

SOURCE: PI:017
69. C
Businesses that offer premiums without explaining the terms to the customer. There are federal laws that affect pricing by regulating the ways in which prices can be advertised. Their chief purpose is to prevent any kind of deceptive advertising that would be misleading to customers. As an example, businesses may not offer premiums without explaining the terms under which the item is free to the customer. In other words, if the customer must make a purchase to obtain the premium, this must be explained in the promotion. The other alternatives are endorsed by federal or state laws.
SOURCE: PI:002
SOURCE: LAP-PI-003—Make Cents (Factors Affecting Selling Price)

70. A
The market is saturated. Many products go into decline because the market is saturated. This means that almost all of the product’s potential customers have been reached, and the only opportunity for increased sales comes with population growth or a shift in market share. If a product were to be outlawed by the government, it would happen earlier in the product life cycle. Customer tastes shift, and superior products become available. These are both common reasons that older products go into decline.
SOURCE: PM:024
SOURCE: LAP-PM-018—Get a Life (Cycle) (Product Life Cycles)

71. D
Using tamper-resistant packaging. Many businesses produce products that might be harmful to consumers if the products are tampered with or become contaminated. To protect consumers, businesses often use tamper-resistant packaging which makes it extremely difficult for someone to get to the product without damaging the packaging. As a result, customers are able to easily determine if this type of packaging has been tampered with, which warns them not to buy the products. Using tamper-resistant packaging is an ethical procedure that businesses follow in an effort to protect their products and ensure the safety of their customers. Products usually are not wrapped in plain paper. Placing informative commercials on television and explaining the new manufacturing process are not ways of protecting consumers.
SOURCE: PM:040

72. C
Emotions, feelings, and intuition. The Six Thinking Hats technique is a creative-thinking method that utilizes different ways of approaching a problem. Each of the six hats represents one aspect of the situation. The red hat focuses on the emotional and intuitive aspects of the situation. The white hat looks at the available facts and data. The green hat is used in relation to creating new ideas. The black hat looks at all of the negative aspects of the situation.
SOURCE: PM:127
SOURCE: LAP-PM-127—Unleash Your Mind (Techniques for Generating Product Ideas)

73. C
Customers’. When generating product ideas, a business must consider how the end-user (customer) intends to use the product. If the product does not fulfill a need or want, the customer is less likely to buy it. The business might consider how the product would fulfill its own needs (e.g., profit), but if the product does not fulfill the customers’ needs, the customer will not buy it and the business will not earn a profit. Although it is possible to consider the industry’s needs and the managers’ needs, the business should always first consider how the product would benefit the customer.
SOURCE: PM:128
74. A
Guarantee. A guarantee is a promise made by the seller to the customer that the seller will refund the customer's purchase price if the product does not perform as expected. A warranty is a promise made by the seller to the customer that the seller will repair or replace a product that does not perform as expected. Recourse is someone or something to which one can turn for help. A strategy is a plan of action for achieving goals or objectives.
SOURCE: PM:020
SOURCE: LAP-PM-004—Promises, Promises (Warranties and Guarantees)

75. C
Federal Trade Commission. The regulatory agency established by the federal government and given the authority to enforce consumer-protection laws is the Federal Trade Commission. This agency has the most influence on marketing activities. The FTC is responsible for holding Franklin Juice Company responsible for its advertising and holding the company accountable. The Food and Drug Administration is the federal agency that holds producers responsible for any injury that the business's products may cause. The Consumer Affairs Department is a division of local government that assists consumers in handling problems. The Consumer Product Safety Commission is the regulatory agency established by the federal government to enforce product safety laws.
SOURCE: PM:017
SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

76. D
Alteration. Product mix is the particular assortment of goods and services that a business offers in order to meet its market's needs and its company's goals. Product mix strategies are the plans the business implements for achieving the company's goals for marketing its products. Alteration is a product mix strategy in which a business makes changes to its products or product lines. Examples of alteration include changing the product's color, changing the appearance of the product's packaging, and changing the product's pricing. Contraction is a product mix strategy in which a business removes or deletes items from the product line. Expansion is a product mix strategy in which a business adds additional items or product lines to its product mix. Collaboration is not a product mix strategy.
SOURCE: PM:003
SOURCE: LAP-PM-003—Mix & Match (The Nature of the Product Mix)

77. C
Trading down. Trading down is a product-mix strategy in which a business adds a lower priced product or product line to its product mix. Trading up is a product-mix strategy in which a business adds a higher priced product or product line to its product mix. Cannibalization is a situation that exists when the sale of one of a company's products takes away sales from another of its products. Polarization occurs when there is a sharp or dramatic division of something.
SOURCE: PM:003
SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)

78. A
Reduced price. Product bundling is the practice of putting together a number of goods/services to create a one-price package. Most often, the bundled package is priced so it costs the customer less than if s/he purchased each product separately. The goal of product bundling is to increase sales and to get customers to try something that they normally wouldn't purchase. The interest rate is the percentage figure used in calculating interest charges, which are money payments for borrowed money. Product bundling does not always provide the business with a higher profit margin, nor does it always require the business to consider interest rates. The amount of time a business bundles particular products depends on the type of product and the business's objectives.
SOURCE: PM:041
79. C
Positioning. Product positioning is the consumer's image or impression of a product as compared to that of competitive products. One of the goals of product positioning is to make sure that consumers perceive a product in the way that the business intended. This involves communicating information about the product's attributes and characteristics so customers will have a clear perception of its image. Product screening is the process of considering each idea for a new product and discarding those that seem unworkable. Product development is the stage in the creation of a new product in which a working model may be tested, modified, and retested, and production costs are estimated and final details of the product are planned. Product management involves monitoring and developing one or more existing products.
SOURCE: PM:042

80. A
Easily remembered. In order for a brand name to be successful, the name should be easy for the public to remember. A good brand name should also be a reasonable length. Many brands do incorporate a company symbol, or logo, but that is not necessary. A brand name should be distinct, not open to interpretation by consumers.
SOURCE: PM:021

81. B
Corporate brand. A corporate brand is the combined impressions, images, or experiences associated with a company or parent entity. Because a corporate brand may have several different products and/or product lines under its umbrella, the company may need to appeal to a variety of constituents. Stakeholders, employees, the media, and its various customers and target markets are a few of the constituents that the company must consider when it makes business decisions, which affect the company's overall image. Because the company may have several product lines or companies under the corporate umbrella (brand), product image, advertising, and assets may vary.
SOURCE: PM:206
SOURCE: LAP-PM-020—Corporate Identity (Nature of Corporate Branding)

82. D
Direct sales. Touchpoints are the interactions that customers have with the business, and they can be divided into three categories: pre-purchase, purchase, and post-purchase experiences. Direct sales would occur during a purchase experience. Other examples of purchase experience touchpoints are physical stores and contact with customer representatives. Word-of-mouth is an example of a pre-purchase touchpoint. Customer satisfaction surveys, and warranty programs are examples of post-purchase experience touchpoints.
SOURCE: PM:207

83. C
To develop customer loyalty. One way that promotion benefits very large businesses is by developing customer loyalty. Some large companies spend billions of dollars on promotion to create specific company images. Consumers identify with these images and see themselves in the roles or lifestyles shown in the promotions. Some customers are so loyal that they will only purchase certain products from the business. Businesses do not create a specific company image in order to limit customer awareness, provide customers with information, or explain issues to customers.
SOURCE: PR:001
SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)
84. A
Advertising, sales promotion, publicity, and personal selling. The promotional mix is the combination, or blend, of marketing communication channels that a business uses to send its messages to consumers. It includes such channels as advertising, sales promotion, publicity, and personal selling. Pricing is a marketing function that involves the determination of a price or an amount to charge a customer or client for a product or service. Customer services include such items as delivery and gift wrap.
SOURCE: PR:003
SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

85. A
Geographical location of the market. A company would advertise nationally to deliver a promotional message to customers who are widely scattered. Neither radio nor magazines would bring customers into face-to-face contact with the promotion. A product with technical aspects would require personal selling. If the company's promotional funds were limited, it could not afford national advertising.
SOURCE: PR:003
SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

86. B
Email. Email is the electronic transmission of messages across computer networks. Many businesses use this technology to send advertising messages to thousands of customers at the same time. Email advertising is an inexpensive way of contacting customers. It allows businesses to send the same message or to customize the message for specific consumers. Pop-up ads are promotional messages that appear in a separate browser window. Search engine optimization the process of designing and submitting web pages so that they can be found easily by spiders in order to obtain a good position in the search results. Banner ads are promotional messages appearing on the internet, usually at the top of websites.
SOURCE: PR:100

87. B
Place corrective advertising in the newspaper. It is likely that the business would be required to place corrective advertising in the same newspaper to advise readers that the original information was incorrect. The business would pay a fine to a government agency rather than to the newspaper. Unless there is a problem with the product, the business would not need to change its product specifications. A consent decree is a document that requires the business to stop running the advertisement without admitting any wrongdoing.
SOURCE: PR:101

88. A
Medium that delivers more memorable, believable ads. The experience of color, sound, and action makes television ads easy to remember and believe. However, these qualities also make the ads more expensive to produce. Also, it is costly to advertise on television because it can reach such a large audience. Radio is another type of broadcast medium that offers local programming. Television is the most influential type of advertising media.
89. D
Providing information to activists to share with others. Word-of-mouth promotion involves customers who
tell others about their satisfaction with the business. Amplified word-of-mouth promotion involves the use
of proactive efforts (campaigns) in which the business provides specific information to customers
(activists) to pass along to their friends, family, and business contacts. On the other hand, organic word-
of-mouth promotion occurs naturally. Because customers are satisfied with the business and its products,
they tell others about this satisfaction in the course of normal conversation. For example, if a business
shows a sincere interest in the customer by asking for feedback, taking actions to ensure customer
loyalty, or improving products, the customer is likely to share those positive experiences with others.


90. D
Illustration. This is a photograph, drawing, painting, or graphic. Since the client emphasizes picture in
your discussion, you should give careful consideration to the illustration when designing the ad. Copy is
the text of an ad that delivers the sales message. Headline is text set in large type and usually positioned
at the top of the advertisement. Identification identifies the product or the advertiser who may be the
producer and/or the seller of the product.

Columbus, OH: McGraw-Hill Education.

91. C
To strengthen the theme. The elements of an advertisement include the headline, copy, illustrations, and
signature. It is important to coordinate these elements to strengthen the theme of the advertisement. All
of the elements should reinforce and promote the theme in order for the advertisement to be effective. It
is not important to coordinate the elements in advertisements to analyze the objective, simplify the
message, or locate the audience.

Columbus, OH: Glencoe/McGraw-Hill.

92. D
Coordinate the advertisement’s elements. To maximize an advertisement’s impact, the four main
elements of an advertisement should be coordinated. The advertisement’s headline, illustration, copy,
and signature should attract the reader’s attention in a balanced, visually attractive, and clear way. The
advertisement’s elements should relate to one another to convey the ad’s theme and reinforce the
message. The font, amount of text and graphics, and the use of celebrity testimonials vary and depend
on the ad’s theme, the intended message, and the designer’s style. Celebrities are in the news for both
good and bad reasons. Insufficient information is provided to determine whether the business would want
its brand associated with the celebrity. The use of a variety of fonts is not recommended since they
detract from the advertisement’s message.


93. D
Damage control. In some cases, businesses use public relations activities to counter negative publicity or
to respond to negative information. This is an example of controlling the damage that may have been
caused by a specific incident. For example, if the media reports that a product has been tampered with
and resulted in injury to some customers, a business would use public relations activities to reassure the
public that every attempt was being made to keep the product safe. This helps to control the negative
information and maintain good relations with the public. Product research, market segmentation, and
sales management are not functions of public relations activities.

94. B
Use in the operation of the business. Using the trucks to make deliveries to customers is part of the operation of the business. The trucks are not being used in the production of other goods, and they are not being resold to ultimate consumers or industrial users.
SOURCE: SE:017
SOURCE: LAP-SE-117—Sell Away (The Nature and Scope of Selling)

95. D
Meet customers’ needs. One way to develop long-term relationships with customers is to provide quality service that meets customers' needs and makes them feel appreciated. In many cases, the type of service provided must be tailored to fit the needs of the customer. For example, one customer might need an order delivered overnight while another customer needs to return a defective item. Salespeople should determine what the customer needs and then provide that service. Not all services need to save money for customers, although many services do not add cost. Services need to be tailored to the customer rather than the same for all customers. Services usually do not include customers' employees unless the service involves training employees to use a new type of product.
SOURCE: SE:076
SOURCE: LAP-SE-130—Go Beyond the Sale (Customer Service in Selling)

96. A
Obtaining referrals from loyal customers. Loyal customers often provide salespeople with leads for locating and gaining access to new clients. This can greatly increase the salesperson's opportunities for making sales. All of the other alternatives are benefits to the business of building a clientele. It can help to hold down selling costs because it costs more to make an initial sale than a repeat sale. It also can provide word-of-mouth advertising that builds and promotes company image and convinces loyal customers that higher prices are acceptable because of other benefits they receive from dealing with the business.
SOURCE: SE:828
SOURCE: LAP-SE-115—Keep Them Loyal (Key Factors in Building Clientele)

97. B
Cooling-off law. A cooling-off law protects consumers who purchase products as a result of high-pressure or fear-based sales tactics. The law provides the buyers a limited amount of time to think about their purchases, and allows them an opportunity to withdraw from the purchase agreement with the seller. A tying agreement is an illegal agreement requiring a customer to buy other products in order to obtain desired goods and services. Return policies are limits established by a business's management staff for accepting merchandise for return. Reciprocity occurs when a seller expects a buyer to provide something of equal importance in return for a product or service.
SOURCE: SE:108

98. D
The department manager. The most reliable information would be obtained most quickly from the department manager. Another customer may not know the answer or may relate information that is not totally correct. During a sales presentation would be an inappropriate time to contact the manufacturer's representative. The buyer is a good source of product information, but s/he may not be readily accessible during a sales presentation.
SOURCE: SE:062
99. B
Product uses. Because customers want to know the benefits of a product's features before making the decision to buy, salespeople must be prepared to communicate this information. Some products perform multiple functions, which is a benefit to customers because they do not need to buy individual items to perform each function. In the example, the e-reader has multiple uses—reading functions, audio functions, library storage, and Internet access. The example does not communicate information about the e-reader's construction and materials, durability, appearance, or style.
SOURCE: SE:109
SOURCE: LAP-SE-113—Find Features, Boost Benefits (Feature-Benefit Selling)

100. C
Maslow's Hierarchy of Needs Theory. To effectively sell products to customers, salespeople must understand the factors that motivate buying decisions. Many content-motivation theories examine the underlying factors that affect motivation. Maslow's Hierarchy of Needs Theory suggests that motivation is related to five levels of needs—from basic to complex. Maslow's theory states that basic needs must first be met before a person is motivated to fulfill the next level of needs. For example, a person must have physiological needs met (food, air, shelter) before the person is motivated to go after the next level of needs (safety). The Acquired Needs, Equity, and Expectancy theories are other types of motivational theories.
SOURCE: SE:359