



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. Which of the following is an example of a voluntary debtor-creditor relationship:
 - A. Owing punitive damages
 - B. Receiving a monetary gift
 - C. Requiring specific information
 - D. Obtaining a loan from a bank

2. One of the primary purposes of customs regulations is to
 - A. prevent illegal materials from exiting or entering a country.
 - B. standardize a country's higher education system.
 - C. organize the domestic economy by industry sector.
 - D. make it more difficult for illegal immigration to occur.

3. A wholesaler breaks down a large shipment of a product and sells portions of it to several retailers. The wholesaler is reducing a discrepancy of
 - A. promotion.
 - B. assortment.
 - C. installation.
 - D. quantity.

4. Which of the following channels of distribution allows the producer to retain the tightest control over the distribution process:
 - A. Producer to agent to retailer to consumer
 - B. Producer to wholesaler to retailer to consumer
 - C. Producer to consumer
 - D. Producer to retailer to consumer

5. Which of the following activities represents a way in which a company with a dominant position can restrict trade:
 - A. Exclusive agreements
 - B. Partnership agreements
 - C. Binding contracts
 - D. Joint ventures

6. What is one reason a supermarket might implement slotting allowances to distribute products?
 - A. To reduce conflict among distribution channel members
 - B. To lower the risks associated with stocking new products
 - C. To increase the number of brands that the store carries
 - D. To decrease the number of members in the distribution channel

7. When coordinating marketing activities, it is important for all distribution channel members to understand their roles in the supply chain and to
 - A. have an independent mindset.
 - B. conduct audits.
 - C. communicate clearly.
 - D. develop sanctions.

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. affinity marketing.
 - B. affiliate marketing.
 - C. cross-linking.
 - D. social media marketing.

9. Lana wants to include a two-dimensional graphic that shows the groupings and patterns of multiple variables in her business report. Which of the following graphic aids would best illustrate the data:
 - A. Scatter chart
 - B. Pie chart
 - C. Timeline
 - D. Table

10. Which of the following is a technique used in a persuasive letter to gain the readers' attention and encourage them to read the rest of the message:
 - A. Placing the call to action in the last paragraph
 - B. Including a link to the business's website
 - C. Asking a question in the introduction
 - D. Providing statistics in the body of the letter

11. A problem that is best solved by a group is one that
- A. requires limited research.
 - B. has one correct answer.
 - C. affects many people.
 - D. must be solved quickly.
12. Which of the following should a salesperson avoid when handling a customer's complaint:
- A. Asking the customer to explain
 - B. Taking action immediately
 - C. Spending time listening
 - D. Responding with exasperation
13. Whenever Ty needs to buy office supplies, he always goes to the same store. There are other stores in the area, but Ty doesn't want to spend time or effort comparing prices or quality. He sticks with the same store every time because he prefers
- A. customer advocacy.
 - B. relationship buying.
 - C. touchpoints.
 - D. corporate culture.
14. Which of the following is an example of a business creating possession utility:
- A. Patty's Pancake Palace extends its business hours to 2:00 p.m.
 - B. Frederick's Furniture Store offers installment credit plans to its customers.
 - C. Iggy's Ice Cream Company develops 15 flavors of frozen yogurt.
 - D. The Penny-Wise Discount Store chain opens a new distribution center in upstate New York.
15. Trevor owns a small business. Last month, the business's income exceeded its operating expenses by \$4,000. To improve the business's efficiency, Trevor decided to use the \$4,000 to purchase new computer software. In this situation, Trevor applied _____ in an effective way.
- A. slack resources
 - B. innovative processes
 - C. competitive aggression
 - D. organizational learning
16. Cathie and Jane are being considered for employee of the month. Their boss has decided to let their productivity for the previous month determine who will be selected. Cathie worked 178 hours and processed 52,000 orders. Jane worked 170 hours and processed 50,000 orders. Who will be named as employee of the month?
- A. Cathie, because the orders she processed were of a higher quality
 - B. Cathie, because she outproduced Jane by two orders
 - C. Jane, because the orders she processed were of a higher quality
 - D. Jane, because she outproduced Cathie by two orders
17. What type of government policy involves manipulating the business cycle by raising or lowering taxes?
- A. Fiscal
 - B. Monetary
 - C. Welfare
 - D. Trade
18. The exchange rate between U.S. dollars and Canadian dollars, which is determined by the unimpeded interaction of supply and demand in the foreign exchange market, is a _____ exchange rate.
- A. cross
 - B. fixed
 - C. pegged
 - D. floating
19. Which of the following is an example of how all small businesses directly strengthen a nation's economy:
- A. Small businesses control their expenses and operating costs.
 - B. Small businesses are the building blocks of large corporations.
 - C. Small businesses develop strong local ties and connections.
 - D. Small businesses are likely to grow into large companies.
20. Briana gets caught stealing supplies from her job. One likely consequence is that her
- A. coworkers will trust her more.
 - B. employer won't give her a promotion.
 - C. company will be more profitable.
 - D. business will be sued.

21. Which of the following things can you do to help ensure that you make the right decisions:
- A. Stay on the right side of the law.
 - B. Gossip when necessary.
 - C. Behave unethically when no one's watching.
 - D. Let others control your decisions.
22. Which of the following statements is true of a positive attitude:
- A. It has little impact on your ability to reach your goals.
 - B. It's not very important, but it is nice to have.
 - C. You can achieve one, but it requires work.
 - D. It's something that you are born with.
23. Mary is in the habit of giving herself a mental pat on the back when she knows she has done a good job. What is Mary providing herself?
- A. Constructive criticism
 - B. Self-control
 - C. Self-discipline
 - D. Internal feedback
24. To effectively lead change, you must first
- A. indicate why the change is necessary.
 - B. point out why others' ideas are unacceptable.
 - C. monitor how others will view the change.
 - D. communicate the urgency of the issue.
25. An advantage to forming collaborative partnerships with coworkers is that
- A. conflict among departments usually increases.
 - B. different perspectives often facilitate creativity.
 - C. discussions usually stay focused and on topic.
 - D. decision-making tends to take less time.
26. Hazel started her own childcare network where she connects families to available babysitters at her school. Hazel could be described as a(n)
- A. direct salesperson.
 - B. franchiser.
 - C. wholesaler.
 - D. entrepreneur.
27. Which of the following exemplifies the time value of money:
- A. Matthew decided to purchase a smartphone from TeleTech.com for \$199.
 - B. Rachel placed \$250 in a savings account and accumulated \$12.50 in interest.
 - C. Sophie estimated that she uses 78% of her income to pay her bills.
 - D. Harrison paid the government \$1,508 in property taxes last year.
28. Jia just bought a new home. She makes a monthly payment that will help her protect her home if it is damaged by a natural disaster or otherwise harmed. Jia is making a(n) _____ payment.
- A. will
 - B. retirement
 - C. insurance
 - D. college
29. Because Elise paid her monthly credit card bill on April 16 instead of April 4, the credit card issuer added a \$25 charge to her May billing statement. This is an example of a(n) _____ fee.
- A. annual
 - B. late
 - C. balance-transfer
 - D. cash-advance
30. What must Preston Enterprises pay to the insurance company to maintain its business liability insurance?
- A. Fine
 - B. Commission
 - C. Premiums
 - D. Stipend
31. Which of the following businesses is most likely to depend on a cash surplus during certain months of the year:
- A. An advertising agency
 - B. A clothing boutique
 - C. A steak restaurant
 - D. A boat rental company

32. Alisha is creating her company's income statement, but she's unsure how she should classify employee salaries, advertising, and utilities. In which of the following income statement categories do these costs fall:
- A. Revenue
 - B. Cost of goods sold/Cost of sales
 - C. Gross profit
 - D. Operating expenses
33. William is a human resources manager who communicates on a professional website with acquaintances and former business associates for the purpose of finding new employees for his company. William is using
- A. the company intranet for interviewing candidates.
 - B. an online networking method for recruitment purposes.
 - C. a database for employee-performance reviews.
 - D. the company blog for hiring recent college graduates.
34. What does continuously monitoring internal marketing information enable businesses to do?
- A. Investigate competitors
 - B. Identify problems
 - C. Evaluate market share
 - D. Analyze economic changes
35. A company should consider the target market's needs and wants when it
- A. achieves its short-term goals.
 - B. positions its corporate brand.
 - C. develops its personal budget.
 - D. prepares its weekly expense reports.
36. Cecelia started seeing ads on various websites for a pair of shoes that she almost bought online. This is because of
- A. big data.
 - B. deception.
 - C. confidentiality.
 - D. transparency.
37. A business posts a daily survey question on its Facebook page. The business is collecting marketing information by using _____ applications.
- A. videoconferencing
 - B. social media
 - C. online-diary
 - D. online-library
38. Which of the following is an example of secondary data:
- A. The answers to a survey
 - B. The results of a focus group
 - C. The outcome of an experiment
 - D. The information on a sales invoice
39. A company's managers ask themselves, "Why is our market share dropping?" This is an example of a _____-oriented decision problem.
- A. situation
 - B. strategy
 - C. research
 - D. discovery
40. Kaitlin is working on a research project for her college marketing course. She creates a survey and distributes it to every student living in her dorm. What type of sample design is Kaitlin using?
- A. Snowball sampling
 - B. Judgment sampling
 - C. Quota sampling
 - D. Convenience sampling
41. By reviewing customer complaint reports, businesses can often identify the
- A. areas in which they need to improve their performance.
 - B. specific products that they need to promote.
 - C. sales volume and market share of their competitors.
 - D. number of calls their salespeople make per week.
42. A clothing retailer wants to find out how it is performing against its competitors. It should use its sales data to perform a _____ analysis.
- A. primary data
 - B. sales volume
 - C. demographic
 - D. market share

43. Marketing researchers should carefully select their data-collection tools to ensure that the information they collect is
- A. interesting and productive.
 - B. reliable and valid.
 - C. objective and inconsistent.
 - D. current and illogical.
44. A survey requires participants to voluntarily call in to provide their answers. What is a disadvantage of this data-collection method?
- A. The sample might be biased by people with extreme views.
 - B. Surveys can only collect qualitative data, not quantitative data.
 - C. This method is more expensive than in-person interviews.
 - D. It is harder to solicit responses over the phone than through mail.
45. An effective questionnaire should
- A. be at least two pages long.
 - B. avoid jargon and use clear language.
 - C. phrase questions subjectively.
 - D. present many topics in each question.
46. A business has very little information about the way its customers view its new product line. Which of the following is a marketing research method that will help the business acquire a variety of perspectives and opinions in a short period of time:
- A. Focus group
 - B. In-depth personal interview
 - C. Service evaluation form
 - D. Environmental scan
47. What are the characteristics of dissonance-reducing buying behavior?
- A. Expensive, infrequent purchase with high buyer involvement and few perceived differences
 - B. Inexpensive, frequent purchase with low buyer involvement and few perceived differences
 - C. Expensive, infrequent purchase with high buyer involvement and strong brand recognition
 - D. Inexpensive, frequent purchase with low buyer involvement and strong brand recognition
48. A marketer is trying to figure out what the company's customers need and how the company can meet those needs. Which element of the marketing mix is this marketer working on?
- A. Place
 - B. Product
 - C. Price
 - D. Promotion
49. When a local athletic apparel store sells shoes, clothing, and accessories that are designed specifically for runners, it is using _____ segmentation.
- A. psychographic
 - B. geographic
 - C. demographic
 - D. rate of usage
50. 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. price
 - B. product
 - C. place
 - D. promotion
51. A business sends a survey to ask its customers about their buying intentions for the next year and will use the survey data to develop its annual sales forecast. What type of sales forecast is the business using?
- A. Cooperative
 - B. Qualitative
 - C. Exploratory
 - D. Predatory
52. Which of the following is a true statement regarding the effect of the product life cycle on a business's sales forecast:
- A. During the maturity phase of the product life cycle, anticipated sales are extremely high.
 - B. Anticipated sales remain the same throughout the product life cycle.
 - C. Anticipated sales are lowest during the growth phase of the product life cycle.
 - D. At the end of the product life cycle, anticipated sales are low.

53. The Lee Company must pay a settlement to Smith Industries because Lee used Smith's logo on its website and other printed materials without Smith's permission. The Lee Company has violated
- A. intellectual property laws.
 - B. trade-secret regulations.
 - C. patent-registration codes.
 - D. local ordinances.
54. Which of the following types of data analysis suggests a future course of action:
- A. Predictive analytics
 - B. Prescriptive analytics
 - C. Descriptive analytics
 - D. Instructive analytics
55. Which of the following is a primary purpose of data mining:
- A. To spy on competitors
 - B. To locate someone
 - C. To identify patterns
 - D. To attract customers
56. Bedazzled Jewelry Store's sales revenue increased by 28% during the two-week period that it ran a television commercial, which advertised discounts on its bracelets and necklaces. Based on the information provided, what can the jewelry store conclude?
- A. The store's sales revenues will continue to increase over time.
 - B. The store sold more necklaces than bracelets.
 - C. It is important to order additional inventory for an advertised sale to avoid stockouts.
 - D. The promotion boosted short-term sales.
57. Sally, Joe, Tim, and Jane are team members who perform different tasks by themselves at the same time to create a single output. The method of work coordination that the team members are using is _____ task interdependence.
- A. sequential
 - B. pooled
 - C. reciprocal
 - D. reversed
58. A food manufacturer is hoping to improve the efficiency of its production processes. What should the company do first?
- A. Analyze its current processes
 - B. Draft proposed process changes
 - C. Communicate changes to stakeholders
 - D. Acquire necessary resources
59. Coral owns a gymnastic studio that teaches children and young adults to do gymnastics. Coral's business produces
- A. retail goods.
 - B. tangible outputs.
 - C. industrial services.
 - D. intangible outputs.
60. A direct benefit of supply chain collaboration is
- A. lower cost due to higher inventory.
 - B. lower cost due to reduced inventory.
 - C. less flexibility in purchasing decisions.
 - D. an increase in business profits.
61. Jerry works in a large department store. His goal for this weekend is to get 10 customers to sign up for the store credit card. Which of the following best describes Jerry's goal:
- A. Learning-based and short-term
 - B. Performance-based and short-term
 - C. Performance-based and long-term
 - D. Learning-based and long-term
62. Lila needs to figure out how to deal with a difficult coworker, so she goes with her gut feeling when deciding what to say to him. Lila is using the _____ method for problem solving.
- A. mind-mapping
 - B. intuitive
 - C. seven-step
 - D. finding the root of the problem
63. Harish enjoys playing basketball even though he's not very good at it. His sister Kajal, however, is a naturally talented athlete. In other words, Harish has a(n) _____ basketball, whereas Kajal has a(n) _____ basketball.
- A. aptitude for; ability for
 - B. aptitude for; interest in
 - C. interest in; passion for
 - D. interest in; aptitude for

64. You know that your current job isn't the right fit for you, so you decide to start looking for a new one. What is the first step you should take?
- A. Write cover letters to potential employers.
 - B. Let all of your contacts know you are looking for a job.
 - C. Conduct a self-analysis to find out what you value in a job.
 - D. Contact your list of references.
65. When the costs of raw materials increase considerably, a business is likely to
- A. implement a long-term markup pricing policy.
 - B. increase the selling price of the product.
 - C. continue following the same pricing strategies.
 - D. maintain similar profit margins as its competitors.
66. What is a negative consequence to a business that engages in the unethical practice of price gouging?
- A. High sales
 - B. Poor image
 - C. Excessive profits
 - D. Weak competition
67. The use of electronically bar-coded price tags on goods has increased the
- A. efficiency levels of pricing software programs.
 - B. need for businesses to hire additional cashiers.
 - C. transportation costs for customers.
 - D. number of customer self-checkout stations.
68. Determine whether the following statement is true or false: In a market economy, consumers are not a consideration in setting selling prices for goods and services.
- A. False; in a market economy, consumers help determine prices.
 - B. True; in a market economy, each industry sets its own prices.
 - C. True; in a market economy, product prices are set by adding predetermined markups.
 - D. False; in a market economy, marketers generally ask for consumer feedback on prices.
69. One way that some businesses obtain new products to add to their product line is by
- A. implementation.
 - B. acquisition.
 - C. consolidation.
 - D. syndication.
70. Kevin is standing in line to purchase the latest version of his favorite smartphone. He loves getting the newest technology as soon as it's available. Kevin is known as a(n)
- A. maturity-stage buyer.
 - B. product bundler.
 - C. price skimmer.
 - D. early adopter.
71. A snack food manufacturer provides a grocery store with a computer-developed diagram that shows how all of the food products should be displayed in the store. The manufacturer is providing a
- A. planogram.
 - B. product diagram.
 - C. product placement.
 - D. prototype.
72. Graphics and design, safety, size, and environmental impact are all ethical considerations associated with product
- A. packaging.
 - B. advertising.
 - C. marketing.
 - D. labeling.
73. The Zocavia federal government recently issued a new educational policy to increase the number of math classes that students need to take to graduate. A textbook publisher then created a new line of instructional materials based on these changes. This is an example of how
- A. economic changes are detrimental to product development.
 - B. political trends create product opportunities.
 - C. competitors are a useful source of product innovation.
 - D. companies need to pay better attention to customer feedback.

74. What type of thinking involves approaching an issue from new illogical directions and using illogical methods to develop new ideas?
- A. Programmed
 - B. Morphological
 - C. Forced
 - D. Lateral
75. Which of the following is a factor used for grading products:
- A. Resource availability
 - B. Inspection method
 - C. Product recommendations
 - D. Product contents
76. Many businesses provide operating instructions with their products because most product-related injuries occur due to
- A. complex packaging.
 - B. faulty design.
 - C. consumer misuse.
 - D. defective construction.
77. Aurora is able to save money by buying her Internet and cable television together instead of buying them separately. Aurora benefits from product
- A. applications.
 - B. grouping.
 - C. bundling.
 - D. seeding.
78. A health-food company believes in customer satisfaction and cares about providing customers with healthy, high-quality food. These beliefs are known as
- A. brand identity.
 - B. brand personality.
 - C. distributor brands.
 - D. brand values.
79. An enterprise resource planning system (ERP) is an excellent source of
- A. economic information.
 - B. internal data.
 - C. competitor information.
 - D. external data.
80. Marcy would like to learn more about VaccuFresh vacuum cleaners, so she goes to the company's website and begins a live chat with a service representative. From VaccuFresh's perspective, Marcy's online chat is a(n)
- A. marketing strategy.
 - B. customer touchpoint.
 - C. customer analysis.
 - D. advertising success.
81. Which of the following activities are included in sales promotion:
- A. Public relations and outdoor ads
 - B. Personal selling and follow-up
 - C. Press releases and publicity
 - D. Coupons and rebates
82. Will wants to open a food truck business, but he lives in a city where many other food trucks already operate. Will should
- A. offer merchandising allowances.
 - B. set up meetings with potential customers to explain his business.
 - C. perform charitable activities so he will receive positive publicity.
 - D. run a local radio ad that explains why his food truck is different.
83. Which of the following is an example of stealth marketing:
- A. Customer reviews not paid for by a company
 - B. Online banner advertisements
 - C. Search engine optimization
 - D. An advertisement disguised as an editorial
84. Sarah's C-Shells is a small retailer that sells seashell jewelry online. After using all of its capital for inventory and the online store, the company has no funds for promotion. Which promotional method would you recommend the company use?
- A. Interactive banner ads
 - B. Social media posts
 - C. Television commercials
 - D. Radio broadcasts

85. The primary reason that governments regulate the ways in which businesses market goods and services to children is to protect the children's
- A. rights and credit.
 - B. privacy and obligations.
 - C. safety and privacy.
 - D. rights and obligations.
86. Which of the following advertisements is most likely to violate promotional regulations:
- A. A food advertisement depicts a child using a stove unsupervised.
 - B. A toy commercial uses bright colors and a catchy jingle.
 - C. An email newsletter includes an opt-out link at the bottom.
 - D. The people in a prescription drug commercial are designated as actors.
87. Timeliness is an advantage of which of the following types of promotional media:
- A. Magazines
 - B. Newspapers
 - C. Directories
 - D. Billboards
88. Which of the following is most likely to contain indoor billboards:
- A. Highways, road intersections, and subway terminals
 - B. Subway terminals, airport terminals, and enclosed malls
 - C. Buses, parking lots, and enclosed malls
 - D. Parking garages, highways, and buses
89. The Skintastic Cosmetic Company implemented a challenging sales promotion in which its independent sales consultants could earn bonuses, prizes, and vacations. This is an example of a company using _____ as a sales incentive.
- A. cooperative advertising
 - B. sweepstakes
 - C. push money
 - D. loyalty programs
90. What part of a print advertisement is often noticed first?
- A. Body copy
 - B. Subheadline
 - C. Signature
 - D. Illustration
91. White space is used in advertisements because it
- A. makes advertisements less costly to produce.
 - B. makes the advertisements look busier.
 - C. increases readability.
 - D. saves time for designers.
92. Which of the following is an internal audience for public relations activities:
- A. The media
 - B. Customers
 - C. Employees
 - D. The community
93. A sporting goods retailer does such good business that it's able to open another location in a new city. As a result, the company is able to hire more salespeople, managers, and other people to work at the new location. This example illustrates how selling
- A. promotes competition.
 - B. aids utility.
 - C. affects employment.
 - D. helps customers determine needs.
94. Which of the following is a result of building and maintaining a loyal clientele:
- A. Decreased sales volume
 - B. Reduced selling costs
 - C. Lower income and profit
 - D. Increased selling costs
95. The largest store you sell to wants to exchange the merchandise it purchased four months ago because it hasn't sold any of the items from that shipment. Your company's selling policy states that refunds or exchanges must be made within 90 days. How should you handle this situation?
- A. Talk to your supervisor regarding the situation.
 - B. Tell the client that you did not set the policy.
 - C. Enforce the current policy.
 - D. Spend time trying to sell the client something else.

96. Gift-giving and entertaining are considered ethical issues in selling because they risk crossing into which of the following legal problems:
- A. Misrepresentation
 - B. Slander
 - C. Negligence
 - D. Bribery
97. A salesperson says to a customer, "Mr. Michaels, I wouldn't buy from Davenport Electronics. That company buys parts for its products from sweatshops, and the items don't meet safety codes. Its products usually break within six months." In many jurisdictions, the salesperson is violating selling regulations related to
- A. price discrimination.
 - B. business defamation.
 - C. foreign corruption.
 - D. product infringement.
98. Which of the following is most likely to be the quickest and easiest way for salespeople to learn about products:
- A. Price lists
 - B. Brochures
 - C. Product labels
 - D. Catalogs
99. A grocery store chain recently started stocking a new brand of ice cream after noticing the brand's popularity at competing grocery stores. The grocery store chain's decision to stock the new ice cream brand was motivated by _____ factors.
- A. organizational
 - B. interpersonal
 - C. environmental
 - D. individual
100. What level of management is responsible for setting the organization's goals?
- A. Executive
 - B. Mid-level
 - C. First-line
 - D. Supervisory



KEY

Test Number 1221

Marketing Exam

Fashion Merchandising and Marketing Event

Marketing Management Event

Sales Management Meeting Event

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1. D
Obtaining a loan from a bank. The debtor is the individual or business that owes money to another individual or business, which is the creditor. A business that obtains a loan from a bank is entering into a voluntary debtor-creditor relationship. It is voluntary because the business (debtor) is seeking to obtain funds from the bank (creditor) by going through a loan application process. A monetary gift is given without expectations of repayment. A monetary gift and a request for information are not examples of debtor-creditor relationships. In tort cases, the court can order one party to pay punitive damages to the other party. This is an example of an involuntary debtor-creditor relationship.
SOURCE: BL:071
SOURCE: BizFilings. (2019). *Understanding the debtor-creditor relationship*. Retrieved October 4, 2019, from <https://www.bizfilings.com/toolkit/research-topics/running-your-business/understanding-the-debtorcreditor-relationship>

2. A
Prevent illegal materials from exiting or entering a country. One of the primary purposes of customs regulations is to protect a country's borders from illegal materials such as illicit drugs, weapons, or other dangerous items. Customs regulations are not put in place to standardize a country's higher education system, to make illegal immigration more difficult, or to organize the domestic economy by industry sector.
SOURCE: BL:126
SOURCE: U.S. Customs and Border Protection. (2019, September 18). *About CBP*. Retrieved October 4, 2019, from <https://www.cbp.gov/about>

3. D
Quantity. The wholesaler is reducing a discrepancy of quantity by breaking down a large quantity of a product into smaller quantities for retailers to buy and sell to final consumers. Reducing a discrepancy of assortment means making a variety of related products available in one place. There is no such thing as a discrepancy of installation or a discrepancy of promotion.
SOURCE: CM:001
SOURCE: LAP-CM-002—Chart Your Channels (Channel Management)

4. C
Producer to consumer. A producer-to-consumer channel (also known as direct distribution) allows a producer to retain the tightest control over the distribution process because there are no intermediaries involved. The other options allow the producer to spread out some of the responsibilities and risks of distribution; however, the producer does lose some amount of control.
SOURCE: CM:003
SOURCE: LAP-CM-003—Channel It (Channels of Distribution)

5. A
Exclusive agreements. Exclusive agreements are a supplier's requirements for its customer to handle only its products or to agree to not handle other companies' products. When this restricts trade, it is considered illegal in Canada and in the U.S. A partnership agreement is a written agreement signed by business partners that specifies the terms of the partnership arrangement. Contracts are legal agreements between two or more businesses stating that one party is to do something in return for something provided by the other party. Once contracts are signed and accepted by the businesses, they are considered binding agreements in that if one of the parties fails to live up to the agreement, the party will be guilty of breach of contract. Joint ventures are arrangements that involve 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; the relationship is usually short term or for a single project/transaction. Joint ventures, binding contracts, and partnership agreements do not inhibit trade.
SOURCE: CM:005
SOURCE: Federal Trade Commission. (n.d.) *Exclusive dealing or requirements contracts*. Retrieved October 4, 2019, from <https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/dealings-supply-chain/exclusive-dealing-or>

6. B

To lower the risks associated with stocking new products. A slotting allowance refers to a fee paid by a manufacturer or vendor to a customer, usually a retailer. This fee is charged to cover the costs for placing a new product on the retailer's shelves. By charging a slotting allowance, the customer is trying to cover the costs of stocking and maintaining the product. If a new product does not sell well, the fees can help cover the time on the shelf that could have been used for a higher moving item. Since there is only a limited amount of shelf space in a supermarket, the implementation of a slotting allowance does not necessarily increase a store's product line. Therefore, slotting allowances are not implemented to decrease intermediaries in the supply chain. Slotting allowances are not implemented to reduce conflict among distribution channel members.

SOURCE: CM:006

SOURCE: Edwards, P. (2016, November 22). *The hidden war over grocery shelf space*. Retrieved October 30, 2019, from <http://www.vox.com/2016/11/22/13707022/grocery-store-slotting-fees-slotting-allowances>

7. C

Communicate clearly. Marketing activities are all tasks and processes for creating, communicating, and delivering value by providing customers with desired products. Channel members are all of the businesses and individuals who assist in moving goods and services from the producer to the customer. For the products to move efficiently through the distribution system, it is important for all channel members to clearly communicate with each other. For example, if a retailer plans to promote a specific item on a specific day, it must advise the producer or wholesaler to make sure that the items are available on the day of the promotion for customers to purchase. For maximum efficiency, channel members should adopt an interdependent rather than an independent mindset. Sanctions are not always necessary to coordinate marketing activities. Although most businesses conduct different types of audits (e.g., financial), not all businesses in a supply chain conduct them for all marketing activities.

SOURCE: CM:007

SOURCE: Cleverism. (2018, November 18). *4 types of distribution channels in marketing*. Retrieved October 16, 2019, from <https://www.cleverism.com/4-types-of-distribution-channels-in-marketing/>

8. A

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.

SOURCE: CM:021

SOURCE: Marketing-Schools.org. (2012). *Affinity marketing*. Retrieved October 4, 2019, from <http://www.marketing-schools.org/types-of-marketing/affinity-marketing.html>

9. A

Scatter chart. A scatter chart is a visual aid that involves placing points on a graph to indicate relationships or patterns among two or more variables. A pie chart shows the parts of a whole. A timeline illustrates the sequential order or occurrence of events. Businesspeople typically use tables to present exact, individual values of data.

SOURCE: CO:087

SOURCE: Google Developers. (n.d.). *Scatter charts*. Retrieved October 4, 2019, from https://developers.google.com/chart/image/docs/gallery/scatter_charts

10. C

Asking a question in the introduction. Before persuading the audience to take action, the writer must gain the readers' attention—this is often referred to as the hook. Posing a question in the introduction (first sentence) often stimulates the readers' curiosity and encourages them to find out more about the issue or offer. Another way to grab the readers' attention is by including interesting statistics or facts in the introduction or first paragraph of the message. After gaining the readers' attention, the writer addresses the call to action. Depending on the type of message, inclusion of the business website may be an important component of the message; however, this typically will not gain the readers' attention.

SOURCE: CO:031

SOURCE: Davis, S. (2019, May 8). *7 sensational essay hooks that grab the reader's attention*. Retrieved October 4, 2019, from <https://www.academicwritingsuccess.com/7-sensational-essay-hooks/>

11. C

Affects many people. While group problem solving can be beneficial, it is not always the best solution for every problem. One way to know if a problem-solving group is necessary is to examine how many people are affected by a problem. If it has many stakeholders, it would likely benefit from a diverse group of problem solvers working together. This approach will make sure all people affected are taken into account. A problem with only one correct answer or a problem that requires limited research might be more easily solved by an individual. Finally, group problem solving can be time-consuming, so if a problem needs to be solved quickly, it might be better handled by an individual.

SOURCE: CO:067

SOURCE: Its Education Asia. (2005-2018). *Solving problems using a group—Advantages and disadvantages*. Retrieved October 4, 2019, from <http://www.itseducation.asia/article/solving-problems-using-a-group-advantages-and-disadvantages>

12. D

Responding with exasperation. Instead, you should talk in a calm voice and avoid getting excited. Attempting to take action as quickly as possible, listening attentively and courteously, and asking the customer to explain the complaint fully are all helpful in handling customer complaints.

SOURCE: CR:010

SOURCE: LAP-CR-010—Righting Wrongs (Handling Customer Complaints)

13. B

Relationship buying. In many cases, today's customers tend to prefer relationship buying to shopping around. They want to find businesses they feel comfortable with and stick with them. Although greater access to information can make shopping around easier than it was in the past, customers often don't want to spend time or effort looking for new businesses to deal with—as long as they are satisfied with the businesses they currently patronize. Customer advocacy is word-of-mouth promotion and referrals from a business's current customers to its potential customers. Touchpoints are all the opportunities that businesses have to connect with customers and reinforce their brand value. The values and ideals that an organization encourages among its employees are known as corporate culture.

SOURCE: CR:016

SOURCE: LAP-CR-016—Know When To Hold 'Em (Nature of Customer Relationship Management)

14. B

Frederick's Furniture Store offers installment credit plans to its customers. Possession utility is the usefulness created when ownership of a product is transferred from the seller to the user. By offering credit, Frederick's Furniture Store is creating possession utility because the store is providing an option for its customers to buy its products. Extending business hours is a way that businesses create time utility. Adding items (e.g., yogurt flavors) to a product line is creating form utility. Opening a new warehouse is creating place utility.

SOURCE: EC:004

SOURCE: LAP-EC-013—Use It (Economic Utility)

15. A
Slack resources. The extra \$4,000 are known as slack resources—resources that go above and beyond what is needed to run the business. In the example, Trevor decided to use the business's slack resources to purchase computer software to improve the business's efficiency. Competitive aggression is striving to win scarce customer dollars. Innovative processes involve applying new ideas or ways of performing sequential activities. Organizational learning is a strategy that seeks to strengthen an organization by bringing employees together as well as by empowering them as individuals. It includes concepts such as systems thinking, team learning, shared organizational vision, mental modeling, and personal mastery.
SOURCE: EC:107
SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)
16. D
Jane, because she outproduced Cathie by two orders. Productivity is determined by dividing the outputs of the employee by the inputs. Jane's productivity was 294 orders per hour ($50,000 / 170 = 294$), and Cathie's was 292 orders per hour ($52,000 / 178 = 292$). Because they were otherwise considered equally qualified, the quality of their work was not a factor in the decision.
SOURCE: EC:013
SOURCE: LAP-EC-018—Make the Most of It (Productivity)
17. A
Fiscal. A government's fiscal policy sets levels of government spending and taxation. To control inflation, the government might implement a contractionary fiscal policy, which often involves decreasing government spending and increasing taxes. To stimulate the economy and decrease the unemployment rate, the government is likely to institute an expansionary fiscal policy, which involves increasing government spending and decreasing taxes. Monetary policy influences the amount of money that will be in circulation as well as interest-rate levels. Social policies are government actions that influence the welfare or living conditions of the country's citizens. Trade policies are the guidelines that a government sets for the country's imports and exports.
SOURCE: EC:018
SOURCE: LAP-EC-009—Boom or Bust (Impact of Business Cycles)
18. D
Floating. An exchange rate is a specification of how much two currencies (such as the U.S. dollar and the Canadian dollar) are worth in relation to each other. A floating exchange rate (also known as a free-floating exchange rate) is determined by the unimpeded interaction of supply and demand in the foreign exchange market with no government intervention. A fixed exchange rate is established and maintained at a specific level by the government. A pegged exchange rate is similar to a fixed one—government intervention directly influences the exchange rate. A cross exchange rate is the rate of two currencies that are not directly quoted against each other. Instead, the two currencies are each quoted against a common currency such as the U.S. dollar.
SOURCE: EC:100
SOURCE: LAP-EC-100—Get Your Money's Worth (Exchange Rates)
19. B
Small businesses are the building blocks of large corporations. All small businesses consume supplies and services which provides business opportunities for large corporations. Many small businesses control their operating costs (which can increase profits) without directly strengthening a national economy. Developing local ties and connections has little impact on a nation's economy. While the opportunity to grow exists, not all businesses experience large growth, and many decline or fail.
SOURCE: EC:065
SOURCE: Brown, J.M. (2018, October 15). *How important are small businesses to local economies?* Retrieved October 4, 2019, from <http://smallbusiness.chron.com/important-small-businesses-local-economies-5251.html>

20. B
Employer won't give her a promotion. If Briana is caught behaving unethically, one likely consequence is that her employer won't give her a promotion. Unethical behavior leads to less trust from coworkers and a less profitable company. Stealing office supplies will not lead to the company being sued.
SOURCE: EI:004
SOURCE: LAP-EI-004—Work Right (Demonstrating Ethical Work Habits)
21. A
Stay on the right side of the law. Many ethical dilemmas involve behavior that's not just unethical, but illegal. Staying on the right side of the law is a big step toward practicing ethical behavior. Gossiping should be avoided. You should behave ethically even when no one is watching. You should control your own decisions.
SOURCE: EI:124
SOURCE: LAP-EI-124—What's the Situation? (Reasons for Ethical Dilemmas)
22. C
You can achieve one, but it requires work. Being positive *does* take a lot more effort than being negative, but it's still totally achievable as long as you're willing to work to maintain it. A positive attitude is certainly both necessary and important, and it doesn't make it harder for you to achieve your goals. In fact, a positive attitude makes it easier to achieve your goals. A positive attitude is not something you're born with; it's something you develop over time.
SOURCE: EI:019
SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)
23. D
Internal feedback. Internal feedback is feedback that comes from within you. When Mary tells herself she's done a good job, she's providing herself with internal feedback. Most of us are constantly judging ourselves and our behavior. Constructive criticism is a type of negative feedback that provides evaluative information designed to help someone improve. Self-control is restraint of your feelings, words, and actions. Self-discipline is training yourself to act in ways that will further your development.
SOURCE: EI:003
SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)
24. A
Indicate why the change is necessary. To effectively lead change, you must be able to guide others and persuade them to alter their opinions or actions. Because some individuals have a difficult time accepting and making changes, change leaders must be able to explain why the change is necessary and how the change will benefit them. Others may or may not have other ideas about implementing change. Immediately pointing out the negative aspects of others' ideas may put them on the defensive, and hinder your effectiveness to persuade the individuals to accept your suggested change. You cannot assess how others will view the suggested change until the change has been discussed. The reason for the change should be communicated, regardless of the urgency of the issue.
SOURCE: EI:005
SOURCE: LAP-EI-022—Start the Revolution (Leading Change)
25. B
Different perspectives often facilitate creativity. Coworkers must often collaborate with one another to accomplish business goals. An advantage to collaboration is that individuals have different perspectives, which can help generate different types of creative ideas. Disadvantages to collaboration is that conflict may occur when others do not agree with an idea, discussions may go off topic and waste company time and money, and decision-making may take longer to achieve.
SOURCE: EI:061
SOURCE: Belcher, L.M., & Thompson, J. (2019, March 4). *Advantages & disadvantages of collaboration in the workplace*. Retrieved October 4, 2019, from <https://smallbusiness.chron.com/advantages-disadvantages-collaboration-workplace-20965.html>.

26. D
Entrepreneur. An entrepreneur is anyone who creates, launches, organizes, and manages a new business and takes on the risk of that business. Hazel is an entrepreneur because she created and launched a new childcare business where she is accountable for risk. A franchiser is the owner of a business who gives the rights to operate a branch of that business to someone else in exchange for a fee and profits. A wholesaler is a merchant who sells to other businesses for resale or business use. A direct salesperson is someone who sells a product directly to customers.
SOURCE: EN:039
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 779). Columbus, OH: Glencoe/McGraw-Hill.
27. B
Rachel placed \$250 in a savings account and accumulated \$12.50 in interest. The time value of money states that money available today is more valuable than the same amount of money in the future—because you can invest the money today and earn a return on that investment. Because Rachel placed her money in an interest-earning account, her money is worth \$12.50 more than it was last year. Buying a phone, the amount of annual income allocated for expenses, and property taxes paid do not indicate the future value of a set amount of money.
SOURCE: FI:062
SOURCE: Heyford, S.C. (2019, June 25). *Understanding the time value of money*. Retrieved October 16, 2019, from <http://www.investopedia.com/articles/03/082703.asp>
28. C
Insurance. Insurance provides people or businesses with a guarantee that they will be reimbursed for loss or damage. Jia's monthly insurance payment means that she will be reimbursed if her home is damaged. This is not a payment toward retirement or college. People do not make payments toward wills.
SOURCE: FI:064
SOURCE: Kagan, J. (2019, August 15). *Homeowners insurance*. Retrieved October 4, 2019, from <https://www.investopedia.com/terms/h/homeowners-insurance.asp>
29. B
Late. Credit card issuers often charge late fees for payments that do not arrive on time. In the example, the credit card issuer received Elise's payment several days after the due date. Some credit card issuers require credit card holders to pay an annual fee for the privilege of using the credit card. A cash-advance fee is a charge for using the credit card to obtain cash. A balance-transfer fee is a charge for moving a balance owed from one credit card to another credit card. Credit card holders often transfer their balances to cards that have lower interest rates.
SOURCE: FI:071
SOURCE: Ryan, J.S., & Ryan, C. (2017). *Personal financial literacy* (3rd ed.) [Lesson 8.3b]. Boston, MA: Cengage Learning, Inc.
30. C
Premiums. Insurance premiums are the fees that the insured pays to the insurer to obtain insurance coverage. A commission is a percentage of the total sale amount paid to the individual or business that makes the sale. A fine is a monetary sum paid to a government agency when an individual or business violates a law. A stipend is a fixed sum of money paid as a salary or allowance.
SOURCE: FI:081
SOURCE: Chen, J. (2018, August 31). *Premium*. Retrieved October 4, 2019, from <http://www.investopedia.com/terms/p/premium.asp>
31. D
A boat rental company. A boat rental company, which is likely to have more business during the spring, summer, and fall, is most likely to rely on a cash surplus to continue to meet expenses during the winter months. Since a clothing boutique, steak restaurant, and advertising agency are not as reliant on seasonal business, they are not as reliant on a cash surplus to operate.
SOURCE: FI:091
SOURCE: LAP-FI-091—Count the Cash (Cash Flow Statements)

32. D

Operating expenses. Operating expenses are the expenses incurred from keeping a business's doors open. This includes employee salaries, advertising, and utilities. The business pays these expenses so it can operate. Cost of goods sold/Cost of sales is a category that includes all direct costs to obtain and/or produce the goods or services that a business sells. Gross profit is determined by subtracting the cost of goods sold from revenue. It is the total profit made before all other remaining expenses have been deducted. Revenue is the total amount of money earned by a business. It includes the sales of the business's goods and service, interest earned from bank accounts, returns on investments, and the sale of the business's assets. All of the money coming into the business, no matter what the source, is revenue.

SOURCE: FI:094

SOURCE: LAP-FI-004—Watch Your Bottom Line (Income Statements)

33. B

An online networking method for recruitment purposes. Human resources managers often use websites such as LinkedIn to connect and network with business associates, as well as former managers and coworkers. Using this method of recruiting, human resources managers hope that their networking connections will provide information about job seekers who might be qualified for various job openings with the company. William is not using the company intranet to interview job candidates, a database to perform employee reviews, or the company blog to hire recent college graduates.

SOURCE: HR:412

SOURCE: Healthfield, S.M. (2019, May 30). *Use LinkedIn for recruiting employees*. Retrieved October 4, 2019, from <https://www.thebalancecareers.com/use-linkedin-for-recruiting-employees-1918950>

34. B

Identify problems. Marketing information is data available inside (internal) and outside (external) the business. Internal marketing information that businesses monitor includes inventory reports, customers' sales records, customers' feedback from surveys, etc. Comparing current and past marketing information can often reveal problems, such as a sudden drop in sales of a particular product. A drop in sales may indicate that the business needs to provide new or improved products or increase promotional efforts. Businesses need to review various forms of external marketing information to effectively investigate competitors, evaluate market share, and analyze economic changes.

SOURCE: IM:012

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 2-6c]. Boston, MA: Cengage Learning, Inc.

35. B

Position its corporate brand. A corporate brand is the combined impressions, images, or experiences associated with a company or parent entity. When positioning corporate brands, the company considers many factors such as its values and mission, its products' attributes, and its target market's needs and wants. The business must consider the target market's needs and wants because this group is most likely to purchase the company's products. If it doesn't consider the target market's needs and wants, the target customers may purchase from competitors, which can negatively affect the corporate brand. The business may consider the target market's needs and wants when it sets short-term goals. When the business has accomplished its goals, the goals have been achieved. The target market's needs and wants are not a primary consideration when preparing routine expense reports. Individuals develop personal budgets, and businesses prepare a variety of company budgets.

SOURCE: PM:207

SOURCE: The Cult Branding Company. (2015). *How to create strong brand positioning in your market*. Retrieved October 16, 2019, from <https://cultbranding.com/ceo/create-strong-brand-positioning-strategy/>

36. A
Big data. Big data refers to the large amounts of raw facts and figures that are automatically collected from electronic sources. When you see ads for products that you previously viewed online, your data are being tracked and used to market to you. The ad Cecelia saw was not because of deception, confidentiality, or transparency.
SOURCE: IM:025
SOURCE: LAP-IM-025—Info With Integrity (Ethics in Marketing-Information Management)
37. B
Social media. Social media is a form of communication that involves sharing information, ideas, personal messages, videos, etc. through social networking and mobile applications such as Facebook, Twitter, and Instagram. Businesses who engage in social media activities can collect marketing information by monitoring the individuals who follow their social media boards or pages. One way to collect information is to post survey questions on the social media website and review the responses that followers post. This can give businesses insight as to what their target markets think about their products. Videoconferencing is a form of technology that uses two-way audio/video transmissions, which enables meeting participants from remote locations to communicate simultaneously. A blog is an online diary. An online library provides users with access to books, journals, and other types of reference materials.
SOURCE: IM:183
SOURCE: Mendes, M. (2012-2019). *Social media marketing: Why social media data collection is essential for marketing*. Retrieved October 4, 2019, from <https://www.pixlee.com/blog/why-social-media-data-collection-is-essential-for-marketing/>
38. D
The information on a sales invoice. The information on a sales invoice is an example of secondary data. The invoice already exists for a purpose other than the research study at hand. The results of a focus group, the outcome of an experiment, and the answers to a survey are all examples of primary data, gathered from original research performed specifically for the study at hand.
SOURCE: IM:281
SOURCE: LAP-IM-281—What's the Source? (Obtaining Marketing-Research Data)
39. D
Discovery. Discovery-oriented decision problems are aimed at answering the questions “what?” or “why?” Strategy-oriented questions are aimed at answering the questions “how?” or “which?” A research problem asks what research needs to be done to solve the decision problem. This is not referred to as a situation-oriented problem.
SOURCE: IM:282
SOURCE: LAP-IM-282—What's the Problem? (Marketing-Research Problems)
40. D
Convenience sampling. Convenience sampling is a type of non-probability sampling that collects data from people who are conveniently available. Judgment sampling requires researchers to “handpick” respondents based on their knowledge or expertise. Quota sampling ensures that specific groups within a target population will be represented within the sample. Snowball sampling, also called referral sampling, is a method in which researchers ask respondents to help them identify and recruit additional respondents for the study. Kaitlin did not handpick respondents, target specific groups, or ask respondents to identify other respondents—she simply distributed her survey to the students conveniently available to her.
SOURCE: IM:285
SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)

41. A
Areas in which they need to improve their performance. By reviewing complaint reports, a business can often identify areas in which customers are unsatisfied—service, product quality, pricing, policies, etc. After identifying the issues, the business can take steps to improve. Complaint reports will not help a business identify specific products to promote or the sales volume and market share of their competitors. The number of sales calls that salespeople make per week is in the business's sales-call report.
SOURCE: IM:184
SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)
42. D
Market share. Market share analysis allows a company to measure its sales performance against those of its competitors. Sales volume analysis allows a company to measure its actual sales against a number of different criteria. Demographic and primary data are not types of analyses that can be derived from sales data.
SOURCE: IM:184
SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)
43. B
Reliable and valid. The tools that a researcher uses to obtain marketing information should be appropriate for the problem or issue at hand. If the wrong tools are used, the data may not be helpful. Helpful information should be reliable and valid. The data should also be objective, current (up to date), and logical, and it should be collected in a consistent way, which makes the data credible and useful. The research does not need to be interesting or productive.
SOURCE: IM:289
SOURCE: LAP-IM-017—Hunting and Gathering (Data-Collection Methods)
44. A
The sample might be biased by people with extreme views. When a survey uses a phone-in method, the sample might be biased because only those with extreme views will be inclined to call in. This could make the survey sample inaccurate. Marketing researchers use surveys to collect qualitative as well as quantitative data. Phone surveys are less expensive than in-person interviews, not more expensive. Finally, it is more difficult to solicit responses through mail than over the phone.
SOURCE: IM:418
SOURCE: Creative Research Systems. (2016). *Survey design software*. Retrieved October 4, 2019, from <http://www.surveysystem.com/sdesign.htm>
45. B
Avoid jargon and use clear language. If your questionnaire uses technical terms or jargon, you run the risk of respondents not understanding your questions. Concise questions and clear language make it easier for everyone to understand what you're asking. Your questionnaire should be brief, not longer than two pages. Questions should be phrased objectively, not subjectively. Each question should present only one topic.
SOURCE: IM:293
SOURCE: AllBusiness. (2019). *Effective questionnaires for market research*. Retrieved October 4, 2019, from <http://www.allbusiness.com/marketing/market-research/1959-1.html>

46. A

Focus group. A focus group is a group that gathers to discuss a specific topic. Businesses often hold focus groups to obtain marketing information about their goods and services. The advantage of holding a focus group is that the marketer can obtain a variety of opinions about a topic (e.g., a new product line) in one setting. An in-depth personal interview involves a face-to-face discussion between the research interviewer and a respondent. The marketing research company would need to schedule several interviews, often at different times, to obtain the desired feedback. An environment scan involves collecting information about the environment (e.g., competitors and economic conditions) surrounding the business. There is not enough information provided about the product to determine if it is a good or a service; therefore, a service evaluation form may not be the most appropriate marketing research method.

SOURCE: IM:428

SOURCE: Copley Focus Centers. (2012). *Why are focus groups used?* Retrieved October 30, 2019, from https://copleyfocus.com/focus_info/why-are-focus-groups-used/

47. A

Expensive, infrequent purchase with high buyer involvement and few perceived differences. Some items, such as carpeting for your home or office, are expensive items that are not purchased frequently. These types of goods involve a lot of thought and consideration, but many buyers do not perceive great differences among brands. Buyers may be more concerned with appearance, feel, and durability rather than brand. This type of buying behavior is called dissonance-reducing buying behavior. Routine (habitual) buying behavior involves buying inexpensive goods on a frequent basis (e.g., sugar, orange juice). These types of purchases require little involvement or thought, and in most situations, there are few differences among brands. Complex buying behavior involves high customer involvement because the items are expensive and purchased infrequently. Because strong brand recognition or product characteristics are extremely important, complex buying behavior is most often exhibited when an individual is purchasing a car or a home. Characteristics of variety-seeking buyers include low involvement, but a high recognition of brand differences. Many variety-seekers switch brands often, such as buying Pepsi products rather than Coke products because Pepsi is on sale at the grocer.

SOURCE: MK:014

SOURCE: Zabanga Marketing. (2019, June 15). *Dissonance reducing buying behaviour*. Retrieved October 4, 2019, from <https://www.zabanga.us/sales-promotion/dissonancereducing-buying-behaviour.html>

48. B

Product. The product element of the marketing mix involves the goods, services, or ideas a business will offer its customers. Marketers conduct research and use their creativity to figure out what customers need and how they will meet those needs. Place, price, and promotion are other elements of the marketing mix.

SOURCE: MP:001

SOURCE: LAP-MP-002—Pick the Mix (Nature of Marketing Strategies)

49. A

Psychographic. Market segmentation is dividing the market into groups that have similar characteristics. Segmenting markets helps businesses identify the people who are most likely to buy their products. Businesses segment markets in different ways. In the example, the athletic apparel store used psychographics to divide the market, which means that the market is divided on the basis of a lifestyle choice—running. Geographic segmentation involves dividing a market on the basis of location (e.g., zip code). Demographics are the physical and social characteristics of the population. A business that segments the market on the basis of demographics considers factors such as the age, gender, and ethnicity of the population. Rate of usage is a type of behavioral segmentation, which involves dividing customers into groups according to their response to a product.

SOURCE: MP:003

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

50. B

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)

51. B

Qualitative. A sales forecast is a prediction of future sales over a specific period of time. Businesses use many tools to forecast sales. Qualitative methods are based on expert opinions and feedback, as well as personal experience. Asking customers to complete a survey of buyer intentions provides the business with general feedback about their customers' anticipated buying activities. The information gathered from this type of survey usually does not provide specific numerical data that the business can obtain from previous sales reports; however, it does help the business identify and consider customer trends when it develops its sales forecast. Cooperative, predatory, and exploratory are not types of sales forecasts.

SOURCE: MP:013

SOURCE: LAP-MP-005—Futurecast (The Nature of Sales Forecasts)

52. D

At the end of the product life cycle, anticipated sales are low. Anticipated sales for a product change as the product progresses through the product life cycle. During the growth phase, anticipated sales are high. During the maturity phase, sales begin to slow down. As a product is "dying," anticipated sales are generally quite low (e.g., demand for VCRs as DVD players were being introduced).

SOURCE: MP:013

SOURCE: LAP-MP-005—Futurecast (The Nature of Sales Forecasts)

53. A

Intellectual property laws. Intellectual property is assets resulting from thinking processes. Written and artistic works, symbols (e.g., logos), words, trade secrets, and inventions are types of intellectual property that can be legally protected from the unauthorized use of others. In most countries, intellectual property protection is legislated by the national (federal) level of government rather than the local level of government. By registering its logo with the government, a business's logo has trademark protection. If another company uses the logo without the owner's permission, then the logo's owner can file a lawsuit against the company to stop the unauthorized use. And in some situations, the owner can obtain monetary damages from the unauthorized user. Trade secrets are types of knowledge that can be used to obtain an economic advantage. Formulas, recipes, and customer lists are examples of knowledge covered under trade-secret laws. Individuals and businesses obtain patent protection for their inventions.

SOURCE: NF:076

SOURCE: Miller, R.L. (2020). *Business law today: The essentials* (12th ed.) [pp. 150-156]. Boston, MA: Cengage Learning, Inc.

54. B

Prescriptive analytics. Prescriptive analysis is a form of predictive analysis. Predictive analysis attempts to predict possible future outcomes. Prescriptive analysis takes it further and suggests one or more future courses of action, based on the predictions of possible future outcomes. Descriptive analysis, on the other hand, summarizes what has already happened by making raw data easy to understand and useful. Instructive analytics is not a form of data analysis.

SOURCE: NF:139

SOURCE: Bertolucci, J. (2013, December 31). *Big data analytics: Descriptive vs. predictive vs. prescriptive*. Retrieved October 4, 2019, from <http://www.informationweek.com/big-data/big-data-analytics/big-data-analytics-descriptive-vs-predictive-vs-prescriptive/d/d-id/1113279>

55. C

To identify patterns. Data mining is the process of analyzing large amounts of information to find patterns, identify outliers, and predict outcomes. Companies use data mining to improve their marketing strategies, cut costs, improve customer service, and more. Data mining is not typically used to locate someone, to spy on competitors, or to attract customers.

SOURCE: NF:148

SOURCE: SAS Institute Inc. (2019). *Data mining: What it is and why it matters*. Retrieved October 4, 2019, from https://www.sas.com/en_us/insights/analytics/data-mining.html#

56. D

The promotion boosted short-term sales. Statistics are information presented in a numerical format. Businesses interpret and analyze statistics for many reasons—to identify trends, determine profitability, analyze performance, etc. An aspect of analyzing performance is evaluating the success of its promotional efforts including advertising, selling, and sales promotion. Because the jewelry store's sales revenue increased during the period that it was running a television commercial that advertised discounted jewelry, the jewelry store can conclude that the promotion was successful in increasing short-term sales. There is not enough information provided to determine if the store sold more necklaces than bracelets during the sales promotion, if the store ran out of stock during the sales promotion, or if the store's sales revenues will increase over time.

SOURCE: NF:093

SOURCE: Bianca, A., & Thompson, J. (2019, February 4). *The advantages of statistics in business*. Retrieved October 4, 2019, from <https://smallbusiness.chron.com/advantages-statistics-business-18698.html>

57. B

Pooled. Pooled task interdependence involves several employees working independently on different tasks at the same time. When the employees finish their tasks, they combine or pool their individual outputs to create the final output. Sequential task interdependence means that one worker must complete a task before the next worker can perform his/her task. Reciprocal task interdependence occurs when one team member's work is dependent on others' work and requires extensive sharing of information and working together on a regular basis. The example does not illustrate reversed task interdependence.

SOURCE: OP:230

SOURCE: Murray, L. (2019). *Three types of interdependence in an organizational structure*. Retrieved October 4, 2019, from <http://smallbusiness.chron.com/three-types-interdependence-organizational-structure-1764.html>

58. A

Analyze its current processes. The first step in streamlining work processes is analyzing current processes. Without analyzing the state of its current production processes, the food manufacturer won't know what areas need to be improved. Drafting process changes, acquiring the necessary resources, and communicating changes to stakeholders are all steps in the streamlining process that come after analyzing the current processes.

SOURCE: OP:355

SOURCE: MindTools. (1996-2019). *Improving business processes: Streamlining tasks to improve efficiency*. Retrieved October 4, 2019, from <https://www.mindtools.com/pages/article/improving-business-processes.htm>

59. D

Intangible outputs. A service business produces an intangible output. Outputs are goods or services produced as the result of combining inputs. Coral's outputs are intangible because they have no physical presence. Coral does not produce tangible outputs, retail goods, or industrial services.

SOURCE: OP:017

SOURCE: AmosWeb. (2000-2019). *Production*. Retrieved October 4, 2019, from http://www.amosweb.com/cgi-bin/awb_nav.pl?s=wpd&c=dsp&k=production

60. B
Lower cost due to reduced inventory. Collaborating within a supply chain can reduce the amount of inventory a company needs to carry, which reduces inventory, storage, and transportation costs. Lower cost is not achieved with higher inventory. A company benefits from more flexibility—not less—when it collaborates with its supply chain, because doing so gives the company access to more resources and helps it develop stronger supplier relationships. When supply chain collaboration is effective, it can increase a company's profits, but increased profits are an indirect, not direct, benefit.
SOURCE: OP:444
SOURCE: Andrews, J. (2019). *The importance of supply chain collaboration*. Retrieved October 4, 2019, from <http://www.supplytechnologies.com/blog/the-importance-of-supply-chain-collaboration>
61. B
Performance-based and short-term. Jerry's goal is a performance goal because it is a task he can complete—once he's signed up 10 new customers for the store credit card, he'll know he's accomplished his goal. His goal is short-term because it is an objective that takes less than a year to achieve. Jerry's goal does not involve mastering a new skill, so it wouldn't be considered a learning goal. Long-term goals are objectives that take more than a year to reach, and Jerry's goal will only take one weekend.
SOURCE: PD:018
SOURCE: LAP-PD-016—Go for the Goal (Goal Setting)
62. B
Intuitive. There's more than one way to solve any problem. The approach you choose depends on your comfort level and experience with a particular approach. It may also depend on how you think best. People who rely on their intuition or instincts will probably choose the intuitive approach to problem solving. Finding the root of the problem, mind mapping, and the seven-step method are all problem-solving approaches that require more structure and logical thought than an intuitive person would probably prefer.
SOURCE: PD:077
SOURCE: LAP-PD-077—No Problem (Demonstrating Problem-Solving Skills)
63. D
Interest in; aptitude for. An interest is something that you enjoy doing or participating in, regardless of your natural ability for it. Since Harish enjoys playing basketball, he has an interest in it—even though he doesn't have an aptitude for it. An aptitude is a natural talent or ability for something. Kajal has an aptitude for basketball because she is a talented athlete. Just because you are good at something, however, doesn't mean you have an interest in it—Kajal may or may not be interested in basketball. It is impossible to tell from this example whether or not Harish or Kajal have a passion for basketball.
SOURCE: PD:023
SOURCE: McKay, D.R. (2019, August 21). *Knowing your aptitude can help you choose a career*. Retrieved October 4, 2019, from <https://www.thebalancecareers.com/what-is-aptitude-526175>
64. C
Conduct a self-analysis to find out what you value in a job. Before starting the job hunt, it's important to think about what you want in a job. You should ask yourself what you value and what sort of work you want to do. This will make your job search easier and make you less likely to end up in a job that doesn't suit you. You shouldn't let all of your contacts know you're looking for a job until you have a clear idea of what type of job you want. Cover letters are included when you apply for jobs, which comes after self-analysis. Your list of references will be contacted by potential employers after you apply.
SOURCE: PD:026
SOURCE: Net Impact. (2019). *Six steps to job search success*. Retrieved October 4, 2019, from <https://netimpact.org/careers/six-steps-to-job-search-success>

65. B
Increase the selling price of the product. Many factors affect a product's price. When the costs of the raw materials to make a product increase, many businesses pass the increase on to the end user by charging a higher selling price. Although a business may change its pricing policies, strategies, and profit margins, these actions are dependent on many factors (e.g., economic conditions, demand) other than the costs of raw materials.
SOURCE: PI:001
SOURCE: LAP-PI-002—The Price Is Right (Nature of Pricing)
66. B
Poor image. Price gouging is a pricing practice that involves raising prices above market value when demand is high and no alternative is available to consumers. A business that temporarily increases prices for goods (e.g., lumber, milk, medicine) during a crisis is behaving in an unethical and, in many jurisdictions, illegal manner. When a business engages in price gouging activities, it runs the risk of losing credibility with the public, which can result in a poor image or damaged reputation. When a business has a poor public image, its customers often begin to buy products from the business's competitors, which can reduce the business's sales and profits.
SOURCE: PI:015
SOURCE: Muse, B. (n.d.). *Effects of price gouging*. Retrieved October 30, 2019, from <https://econ105shahidtam.weebly.com/effects-of-price-gouging.html>
67. D
Number of customer self-checkout stations. Electronic bar codes contain product price information. At the point of sale, the item is scanned into the cash-register terminal where the price is read and recorded. Today, more retailers are installing self-checkout stations. This allows customers to scan, bag, and pay for the items without the assistance of a cashier. Supermarkets and some discount stores are using self-check-out processes. The advantage to customers is that they don't need to wait in long lines for a cashier to process small purchases. Electronic bar codes do not increase transportation costs for customers or increase efficiency levels of pricing software programs.
SOURCE: PI:016
SOURCE: Evans, K. (2019). *What are the benefits of using barcode technology?* Retrieved October 4, 2019, from <https://smallbusiness.chron.com/benefits-using-barcode-technology-58387.html>
68. A
False; in a market economy, consumers help determine prices. Supply and demand interact in a market economy in such a way as to influence prices. Consumers are free to buy products at prices that are acceptable to them. In order for a company to be successful, it must, therefore, offer products at prices that are both profitable and acceptable to consumers. Consumers provide feedback on prices without being asked by deciding to buy or not to buy.
SOURCE: PI:002
SOURCE: LAP-PI-003—Make Cents (Factors Affecting Selling Price)
69. B
Acquisition. Some firms acquire new products by taking over a company that is already making a product in which they are interested. These businesses are constantly on the lookout for such opportunities. In many cases, acquisition of other firms can be less expensive than developing and producing a new product. Consolidation is the joining of two or more companies to form a new company. Implementation is the process of doing or taking action. Businesses do not obtain new products to add to their product line by syndication.
SOURCE: PM:001
SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

70. D
Early adopter. Kevin is known as an early adopter, someone who buys a product before most others do. Early adopters buy during the introduction or growth stage, not the maturity stage. Product bundling refers to selling packages of products rather than individual products. Price skimming is a strategy in which marketers set prices high to recover costs.
SOURCE: PM:024
SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)
71. A
Planogram. A planogram is a computer-developed diagram that instructs retailers on how to display products. This is not referred to as a product diagram. Product placement is a type of media that uses products as props in movies, television shows, and computer games. A prototype is an early sample or model of a product.
SOURCE: PM:039
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 721-723). Columbus, OH: Glencoe/McGraw-Hill.
72. A
Packaging. There are several ethical considerations that product managers must keep in mind when developing packaging, including packaging graphics and design, the safety of packaging materials, the size of packages, and the environmental impact of packaging. These are not ethical considerations associated with product advertising, marketing, or labeling.
SOURCE: PM:040
SOURCE: LAP-PM-040—Safe and Sound (Ethics in Product/Service Management)
73. B
Political trends create product opportunities. Trends and changes in the political sphere sometimes create new product opportunities and open new markets. If changes to educational policy allow a textbook publisher to create a new line of instructional materials, the policy is creating a product opportunity. This is not an example of how economic changes are detrimental to new product development, how competitors are a useful source of product innovation, or of how companies need to pay better attention to customer feedback.
SOURCE: PM:134
SOURCE: The Marketing Donut. (2019). *Spotting gaps in your market*. Retrieved October 4, 2019, from <https://www.marketingdonut.co.uk/market-research/spotting-gaps-in-your-market>
74. D
Lateral. Lateral thinking is a process used to solve problems and generate ideas in purposely illogical ways. Brainstorming, free association, forced questioning, and synectics are examples of lateral thinking methods. Programmed thinking is a process used to solve problems and generate ideas in logical, analytical, organized ways. Morphological analysis is a creative-thinking method that involves listing the attributes of a product and then combining some or all of the product's attributes in different ways to create new products. Forced thinking is not a type of creative-thinking technique.
SOURCE: PM:127
SOURCE: LAP-PM-127—Unleash Your Mind (Techniques for Generating Product Ideas)
75. D
Product contents. Grading is the process of rating products according to certain established standards or characteristics. To receive a certain grade, a product must meet established criteria, which indicates the uniformity or consistency among products. The contents of a product may affect how it is graded. For example, cuts or types of meat contain different levels of fat, so each type of meat may be graded on the percentage of fat per serving. Other products, such as gasoline, are graded on the basis of their chemical makeup. The inspection method, product recommendations, and resource availability are not factors used to grade products.
SOURCE: PM:019
SOURCE: LAP-PM-008—Raise the Bar (Grades and Standards)

76. C
Consumer misuse. Businesses should provide consumers with such instruction as how to assemble products, how to interchange parts, what to check if the product doesn't work, and what safety precautions are needed. Most product-related injuries occur not because the product is dangerous but because it was misused or carelessly used by the consumer. Although faulty design, complex packaging and defective construction can cause injuries, most injuries are the result of consumer misuse.
SOURCE: PM:017
SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)
77. C
Bundling. Product bundling is a marketing strategy that involves offering several products for sale as one combined product. This typically involves a discount for the customer. Offering several products as one combined product is not called product grouping, seeding, or applications.
SOURCE: PM:041
SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 373]. Tinley Park, IL: Goodheart-Willcox.
78. D
Brand values. Brand values are beliefs or qualities that a corporate brand stands for and is built around. These core values are the things that the company believes in, and they get to the heart of what the company truly cares about. Distributor brands are owned by the retailer or wholesaler that sells the brands, rather than the manufacturer. A brand identity consists of those elements that are instantly recognized as representing a particular business or product, including logos, colors, names, images/graphics, and design. Brand personality is the projection of a brand that encompasses its values and emotional connections with consumers.
SOURCE: PM:206
SOURCE: LAP-PM-020—Corporate Identity (Nature of Corporate Branding)
79. B
Internal data. An enterprise resource planning system (ERP) is an excellent source of internal data, or data from within the business. An ERP system consists of a common database that holds all of the facts and figures created or received during normal business operations. These data are not external. They do not pertain to the economy or competitors.
SOURCE: IM:001
SOURCE: LAP-IM-002—Get the Facts Straight (Marketing-Information Management)
80. B
Customer touchpoint. A customer touchpoint is any encounter in which a business and a customer engage. In this example, Marcy's live chat with a service representative would be considered a customer touchpoint to VaccuFresh—not a marketing strategy, customer analysis, or advertising success.
SOURCE: PM:277
SOURCE: Walters, J. (2019). *What a customer touchpoint is (and why you should care)*. Retrieved October 4, 2019, from <https://experienceinvestigators.com/customer-touchpoint/>
81. D
Coupons and rebates. Sales promotion is promotional activities other than advertising, personal selling, and publicity that are intended to achieve a desired outcome. It may also use free samples, displays, or contests to interest customers in the product. It does not involve personal selling, publicity, press releases, or public relations, although customer goodwill may be generated by the samples and reduced prices.
SOURCE: PR:001
SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

82. D
Run a local radio ad that explains why his food truck is different. Advertisements are an effective promotional strategy when a product needs to be differentiated from its competitors, as well as when a product is in its introductory stage. Therefore, a radio ad that focuses on differentiating Will's food truck from others is an appropriate tactic. Setting up meetings with potential customers to explain his business is not an effective strategy for Will because personal selling is not generally used for convenience goods such as food. Will would not be able to meet with enough customers to make his business profitable. Performing charitable activities to receive good publicity would be more effective when Will has already established his brand. It is hard to generate publicity during the introductory stage. Finally, a merchandising allowance is a sales promotion that is used when promoting to intermediary businesses, rather than directly to consumers, as is the case with Will's food truck.
SOURCE: PR:003
SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)
83. D
An advertisement disguised as an editorial. Many people view stealth marketing as unethical, especially in cases where ads are made to look like unbiased articles or editorials. Online banner advertisements, search engine optimization, and legitimate customer reviews are not instances of stealth marketing because they are not done secretly.
SOURCE: PR:099
SOURCE: Wisegeek. (2003-2019). *What is stealth marketing?* Retrieved October 4, 2019, from <http://www.wisegeek.com/what-is-stealth-marketing.htm>
84. B
Social media posts. Social media posts are an inexpensive way to reach a targeted audience. Interactive banner ads can be expensive with development costs. Television commercials and radio broadcasts can be expensive on a national level. Cheaper television commercials and radio broadcasts usually only target a small geographic location, which may not be effective for an online retailer.
SOURCE: PR:100
SOURCE: Newberry, C. (2019, May 6). *Social media advertising 101: How to get the most of your ad budget.* Retrieved October 4, 2019, from <https://blog.hootsuite.com/social-media-advertising/>
85. C
Safety and privacy. Children have the right to privacy and safety. Although today's youth are very technology-oriented, many lack an understanding of the safety issues associated with Internet use. Problems often occur when young Internet surfers access inappropriate websites and unknowingly provide personal information. Privacy breaches, identity theft, cyber stalking, etc., may occur when inappropriate information is given out. Therefore, governments often develop laws to protect young Internet users. Businesses that market goods and services to children must be familiar with these regulations so they can design and implement their online activities legally. The government may penalize and fine businesses that violate these regulations. Young children do not have obligations and cannot obtain credit.
SOURCE: PR:101
SOURCE: Brethour, D. (2018, June 15). *Do children have a right to privacy?* Retrieved October 4, 2019, from <https://rightsinfo.org/do-children-have-right-privacy/>
86. A
A food advertisement depicts a child using a stove unsupervised. Advertisements that are unfair or cause injury to consumers can violate consumer protection regulations. An advertisement that shows a child using the stove unsupervised can be dangerous to children who might see the advertisement and think it's okay for them to use the stove by themselves. A toy commercial that uses bright colors and a catchy jingle would not necessarily violate any regulation. Email newsletters should always include an opt-out link so that they don't violate regulation. Finally, a prescription drug commercial should clarify that the people in it are actors, rather than actual users of the drug.
SOURCE: PR:101
SOURCE: International Chamber of Commerce. (n.d.). *Marketing and advertising to children.* Retrieved October 30, 2019, from <https://iccwbo.org/global-issues-trends/responsible-business/marketing-advertising/marketing-and-advertising-to-children/>

87. B

Newspapers. Most newspapers are printed on a daily or weekly basis. They provide a way for businesses to reach consumers with a message at the time when it will be most effective. Most magazine and directory advertisements must be prepared well in advance. Outdoor media are not timely because the cost and effort needed to change ads means they cannot be changed frequently.

SOURCE: PR:007

SOURCE: LAP-PR-003—Ad-quipping Your Business (Types of Advertising Media)

88. B

Subway terminals, airport terminals, and enclosed malls. Billboards are a form of out-of-home media. Indoor billboards are panels or boards to which advertising posters are adhered. Businesses often place indoor billboards in high-traffic areas such as subway and airport terminals, enclosed malls, and parking garages. Businesses often place outdoor billboards by highways, busy road intersections, and parking lots. Buses often carry advertising in the form of transit posters.

SOURCE: PR:007

SOURCE: LAP-PR-003—Ad-quipping Your Business (Types of Advertising Media)

89. C

Push money. To increase market visibility, manufacturers often use incentive programs to motivate their independent sales consultants or distributors. These incentives, which are often called push money, may include cash bonuses, prizes, gift cards, or vacations. Typically, independent sales consultants must reach a certain level of sales to obtain push money. Sweepstakes involve games of chance in which customers win prizes. Manufacturers develop cooperative advertising programs to provide channel members with financial assistance to offset product advertising expenses. The purpose of loyalty or frequency programs is to build long-term customer relationships by offering incentives that encourage repeat sales. For example, a pizza chain might give customers a free pizza after they buy six pizzas of similar value.

SOURCE: PR:249

SOURCE: KnowThis.com. (2019). *Push money (also called sales incentives)*. Retrieved October 4, 2019, from <https://www.knowthis.com/marketing-terms/push-money/>

90. D

Illustration. The illustration is a photograph, drawing, painting, or graphic that attracts attention and creates interest. Sometimes, it is the most important part of an advertisement because frequently it is noticed first. The subheadline is in smaller type than the headline and is used to continue the thought expressed in the headline. Body copy is the text of the advertisement. Signature is the name and/or symbol used by the advertiser.

SOURCE: PR:014

SOURCE: MAA Illustrations. (2016, May 2). *Importance of illustration in advertising*. Retrieved October 16, 2019, from <https://www.maaiillustrations.com/blog/article/importance-of-illustration-in-advertising/>

91. C

Increases readability. White space is often used in advertisements because it makes words easier to read. White space makes advertisements look less busy. White space doesn't necessarily have to be white; it's simply space between pictures and words in advertisements. It can be any color. White space is used to make advertisements more effective, not to save time for designers.

SOURCE: PR:251

SOURCE: Hegde, P. (2017, October 10). *Importance of white space in design*. Retrieved October 4, 2019, from <https://blog.prototypr.io/importance-of-white-space-in-design-5a40c0e65bfd>

92. C
Employees. Public relations specialists must deal with both internal and external audiences. Employees, those people within the company, are an internal audience. Groups outside of the company, like customers, the media, and the community, are external audiences.
SOURCE: PR:253
SOURCE: Lyngdoh, S. (2014, January 17). *Internal and external publics of public relations*. Retrieved October 4, 2019, from <http://www.slideshare.net/sslyngdoh/internal-and-external-publics-of-public-relations-by-shaining-star-lyngdoh>
93. C
Affects employment. When a business grows, it's able to hire not just more salespeople but other employees as well. The exchanges created by selling help businesses make a profit that enables the companies to expand. Selling aids utility, promotes competition, and helps customers determine needs, but those roles are not illustrated in this example.
SOURCE: SE:017
SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)
94. B
Reduced selling costs. Making the first sale to a new customer can cost a company a lot of money. Between advertising, determining wants and needs, and building a new relationship, the costs add up quickly. Once businesses have built a loyal clientele, they can cut back on some of these expensive activities—reducing their overall selling costs. Maintaining a loyal clientele increases, not decreases, sales volume because loyal customers return to buy on a regular basis. This leads to increased income and profit—not lower income and profit.
SOURCE: SE:828
SOURCE: LAP-SE-828—Keep Them Loyal (Key Factors in Building Clientele)
95. A
Talk to your supervisor regarding the situation. Selling policies are general rules established to guide the selling effort, and they need to be a bit flexible so an occasional exception can be made. In this situation, being flexible may help you satisfy your largest customer and keep the business. By stating that you did not set the policy, you are not offering the client assistance at all. Spending time selling the client something else does not resolve the current problem. Enforcing the current policy offers no type of solution or assistance.
SOURCE: SE:932
SOURCE: LAP-SE-932—Sell Right (Selling Policies)
96. D
Bribery. It's illegal to give a bribe, but what constitutes a bribe? That's how gift-giving and entertaining clients can become confusing. In some companies or industries, gifts and entertaining are considered standard parts of the relationship building process. But in other companies or industries, these acts could be considered favoritism or bribery. Gift-giving and entertaining most likely wouldn't cross over into the legal issues of slander, negligence, or misrepresentation.
SOURCE: SE:106
SOURCE: LAP-SE-129—Keep It Real—In Sales (Legal and Ethical Considerations in Selling)
97. B
Business defamation. Governments regulate selling practices to protect buyers and sellers. Many jurisdictions have business-defamation laws that prohibit untrue or unsubstantiated statements that intend to damage the reputation of another business. Therefore, businesses must take steps to train their salespeople so they know what they can and cannot say to customers. Price discrimination is an illegal activity in which a business charges different customers different prices for similar amounts and types of products. Offering or accepting bribes in a selling situation is a common practice in some foreign countries, but is illegal behavior in other countries that view it as corruption. The example does not involve product infringement.
SOURCE: SE:108
SOURCE: Lawrence, G. (2019). *The defamation of a business to a business*. Retrieved October 4, 2019, from <https://smallbusiness.chron.com/defamation-business-business-60798.html>

98. C

Product labels. Many products carry labels that provide specific information about the products and are readily available to the sales staff. Catalogs, brochures, and price lists are not always available, and it would take more time to locate the needed information from these sources.

SOURCE: SE:062

SOURCE: LAP-SE-062—Get Informed (Acquiring Product Information for Use in Selling)

99. C

Environmental. Environmental factors drive people or organizations to make purchases driven by the current business, social, or government environments. Factors such as competition and consumer demand are considered environmental factors. Interpersonal factors like status, persuasiveness, and authority can influence whether or not an organization or person purchases a product or service.

Organizational factors include influences like corporate culture, role expectations, and company reward systems. Individual factors, like reward valence, personal needs, and personal relevance, can also drive people or organizations to make purchases.

SOURCE: SE:359

SOURCE: Singh, C. (2014, January 29). *Factors influencing industrial buying*. Retrieved October 4, 2019, from <http://www.slideshare.net/cshekhar8/factors-influencing-industrial-buying-ism>

100. A

Executive. Executive or top-level managers have the most authority and responsibility within the business structure. These individuals are responsible for strategic planning and setting the organization's overall goals. Mid-level or middle managers are responsible for implementing the goals set by executive managers. First-line or supervisory managers carry out the actions and plans that are developed by middle managers, which are based on the goals set by the executive managers.

SOURCE: SM:001

SOURCE: LAP-SM-003—Manage This! (Concept of Management)