



SAMPLE EXAM

MARKETING CAREER CLUSTER

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

APPAREL AND ACCESSORIES MARKETING SERIES **AAM**

AUTOMOTIVE SERVICES MARKETING SERIES **ASM**

BUSINESS SERVICES MARKETING SERIES **BSM**

BUYING AND MERCHANDISING TEAM DECISION MAKING **BTDM**

FOOD MARKETING SERIES **FMS**

INTEGRATED MARKETING CAMPAIGN-EVENT **IMCE**

INTEGRATED MARKETING CAMPAIGN-PRODUCT **IMCP**

INTEGRATED MARKETING CAMPAIGN-SERVICE **IMCS**

MARKETING COMMUNICATIONS SERIES **MCS**

MARKETING MANAGEMENT TEAM DECISION MAKING **MTDM**

PROFESSIONAL SELLING **PSE**

RETAIL MERCHANDISING SERIES **RMS**

SPORTS AND ENTERTAINMENT MARKETING SERIES **SEM**

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

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. Brix Beauty Salon used a celebrity's name and photograph in a recent newspaper advertisement, even though the celebrity had not given Brix permission to use her name and likeness. What tort did Brix Beauty Salon commit?
 - A. Appropriation
 - B. Wrongful interference
 - C. Defamation
 - D. Conversion

2. The ZRB Company promises to ship LST Inc. 200 units of product by a certain date, and LST Inc. promises to pay ZRB \$25,000 for the product within 14 days of receipt. This is an example of a(n)
 - A. executed agreement.
 - B. exempt contract.
 - C. bilateral contract.
 - D. defensible agreement.

3. Which of the following is the most common channel of distribution for consumer goods:
 - A. Producer to consumer
 - B. Producer to retailer to consumer
 - C. Producer to wholesaler to retailer to consumer
 - D. Producer to agents to wholesaler to retailer to consumer

4. What type of law is violated when a supplier requires intermediaries to enter into tying agreements?
 - A. Infringement
 - B. Probate
 - C. Zoning
 - D. Antitrust

5. Although implementing slotting fees can help a business offset risks and cover stocking costs, it can become an ethical issue if it
 - A. eliminates tax incentives.
 - B. encourages economic growth.
 - C. reduces competition.
 - D. supports competing agreements.

6. Alpha's Pizza and Bravo's Pizza are two restaurants that are in a horizontal conflict known as a price war. This conflict will most likely have a _____ impact on consumers by _____ prices.
 - A. negative; inflating
 - B. negative; splitting
 - C. positive; inflating
 - D. positive; reducing

7. One way for an audience to show that it supports a speaker's opinion is by _____ the speaker.
 - A. ignoring
 - B. heckling
 - C. applauding
 - D. tolerating

8. What do environmental distractions to active listening include?
 - A. Personal matters that cause us to worry
 - B. The speaker's appearance and manner
 - C. Poor lighting and noise
 - D. Strong opinions about the topic

9. One of the disadvantages of using nonverbal communication is that it
- is not considered courteous.
 - is not a common form of communication.
 - may not be interpreted accurately.
 - may not be associated with leadership.
10. Pablo takes a telephone call for a coworker. So that Pablo's coworker can follow up with the telephone caller, he should ask the caller for his/her
- name, organization, and telephone number.
 - name, current address, and extension number.
 - telephone number, last name, and zip code.
 - telephone number, last name, and address.
11. A professional wedding photographer is developing a price list of the different photo packages that she offers. She is listing the packages from the least expensive to the most expensive. She is organizing the package information
- by value.
 - by location.
 - inductively.
 - deductively.
12. Jana is in charge of raising money to build a new homeless shelter in her community. She has decided to write a letter to local businesses asking for donations. Because these letters arrive uninvited, she knows that her letter must begin well, or it will likely end up in the trash can. Which choice is the best for beginning her letter?
- A brief summary of Jana's qualifications for her job
 - A quote stating the number of children who are homeless
 - A series of boxes to check to make a \$10, \$50, or \$100 contribution
 - Details about the number of rooms the new shelter will have
13. The Bubbly Soda Company is creating written correspondence to send to customers in the Midwest. The company decides to refer to its product as "pop" instead of "soda" so the language appeals to people living there. This is an example of adapting communication for a target audience based on
- income.
 - ethnicity.
 - education.
 - location.
14. Kayla replies to Mrs. Patterson by saying, "The ProSpin GX2 blender is currently on backorder, but we expect to have another shipment in our warehouse by the end of this week." What is Kayla doing?
- Responding to a customer's inquiry
 - Describing a product's features
 - Determining the customer's buying motive
 - Using a merchandising approach
15. When Mr. Schwarz's order did not arrive at the expected time, he called Karl, the salesperson with whom he had placed his order. Karl apologized for the delay and told Mr. Schwarz that he would check into the issue. After Karl talked with the transportation company, he immediately called Mr. Schwarz to let him know where the order was and when to expect delivery. Mr. Schwarz thanked Karl for getting back with him so quickly. In this situation, Karl reinforced the company's image by
- delegating work tasks.
 - giving vague answers.
 - providing efficient follow-up.
 - complimenting the customer.

16. A local dry cleaner that also launders and presses shirts is selling
- specialty goods.
 - consumer services.
 - tangible items.
 - industrial supplies.
17. An unbranded shirt costs \$15.00, while a branded shirt costs \$30.00. What is the price ratio between the two products?
- 2
 - 15 to 30
 - 1 to 2
 - 1/2
18. Taylor works for a company that needs to order 500 boxes of paper. The kind of business she should contact is a
- service provider.
 - retailer.
 - wholesaler.
 - raw-goods producer.
19. The Valley View Corporation specializes in manufacturing bicycles. Inside the company's factory, you'll find some employees making bike chains while others assemble bicycle wheels or weld metal. This allows the company to manufacture bikes as efficiently as possible. The Valley View Corporation is practicing
- outsourcing of labor.
 - insider trading.
 - project management.
 - division of labor.
20. A business buys 100 scooters for \$35 each and sells them for \$55 each. What is the business's net profit if it has operating expenses of \$1,425?
- \$555
 - \$535
 - \$575
 - \$525
21. Why does the Gross Domestic Product include only finished goods?
- To avoid double counting
 - To account for public goods
 - To omit welfare payments
 - To correct for inflation
22. When a country's economy grows and develops, global trade is increased because the country is able to
- impose trade restrictions on other countries.
 - export its products to other countries.
 - disregard international transportation laws.
 - avoid external business risks of world trade.
23. Once you have acknowledged your existing biases, you should
- explain to others that everyone has biases.
 - try not to dwell on them so they will not affect you.
 - monitor and challenge your biased thoughts.
 - interact with people who share your biases.

24. Whenever Jamie runs out of change, she helps herself to a little money from the business's petty cash fund. What Jamie is doing is
- dishonest.
 - reasonable.
 - justified.
 - impartial.
25. What occurs when prejudiced beliefs lead to biased actions?
- Impartiality
 - Stereotypes
 - Discrimination
 - Justice
26. Which of the following is an example of a social media activity that could result in reputational risk:
- Ryan likes a friend's post about competing in and winning a fishing tournament.
 - Tara posts several negative comments about a girl she doesn't like on Facebook.
 - Sage updates her profile photo, but her mother disapproves and makes her remove it.
 - Akim sends a funny Snapchat video to a friend who enjoys it and sends one back.
27. Dillon wants to advance quickly in his career with the Orton Company. To impress his boss, Dillon volunteered to take on several extra assignments. Unfortunately, Dillon did not realize how much time was involved to complete all of the work that he had taken on. He rushed to get the Simpson assignment done so he could start work on a complex report. On Tuesday, Dillon's boss called him into his office and told him that the Simpson assignment lacked detail and that more research needed to be done. Now, Dillon is worried that he will not meet the deadlines for the report and other upcoming assignments. What lesson can Dillon learn from this experience?
- It is important to volunteer for projects to obtain a promotion.
 - Dillon should have delegated some of the work to his coworkers.
 - Over-commitment can lead to a lower quality of work.
 - Dillon should have started on the report before he finished the Simpson assignment.
28. Which of the following demonstrates a salesperson's empathy for customers:
- Giving customers reasons to purchase a good or service
 - Creating a favorable impression with customers
 - Showing an understanding of customers' feelings
 - Selling customers an item to go with what they already bought
29. Meaghan pressures her coworkers to go along with her ideas at work, even if they have their own ideas. She even threatens or insults coworkers if they don't agree with her. Meaghan is showing _____ behavior.
- motivated.
 - aggressive.
 - assertive.
 - passive.
30. When a group reaches consensus, it means that all of the members agree but they usually
- follow the leader.
 - do not vote.
 - do not have equal power.
 - accept majority rule.
31. Which of the following is a true statement regarding individuals with low motivation:
- Unmotivated people display authentic effort at work.
 - Unmotivated people often have excellent work ethic.
 - Unmotivated people often display high absenteeism.
 - Unmotivated people are very engaged with their work.

32. When a business conducts an environmental scan, which of the following issues is a political factor that it should consider:
- A. Shifts in consumer lifestyles
 - B. Fluctuation of unemployment rates
 - C. Changes in regulation
 - D. Widespread use of wireless devices
33. One of the reasons that having a positive attitude is essential to improving and maintaining good human relations skills is that positive people
- A. have a subjective point of view.
 - B. know how to disagree tactfully.
 - C. are upbeat and generally undependable.
 - D. come in contact with many other people.
34. An entrepreneurial business owner must
- A. dislike business planning.
 - B. be independently wealthy.
 - C. desire regular 40-hour work weeks.
 - D. have an adventurous spirit.
35. Every pay period, Amanda places \$100 from her paycheck into a savings account that earns 4.5% interest. In this situation, money functions as a
- A. medium of exchange.
 - B. store of value.
 - C. form of barter.
 - D. measure of income.
36. You inspect your credit history and find a mistake. Which credit legislation gives you the right to have the mistake corrected?
- A. Truth-in-Lending Act
 - B. Equal Credit Opportunity Act
 - C. Fair Credit Reporting Act
 - D. Fair Credit Billing Act
37. A critical aspect of financial planning involves
- A. obtaining several credit cards.
 - B. saving money for unexpected situations.
 - C. investing money in high-risk securities.
 - D. setting broad financial goals.
38. Your last pay stub had a year-to-date gross pay amount of \$2,438.23. Your next pay stub shows a gross pay of \$542.13, taxes paid of \$106.32, and a net pay of \$379.42. What new year-to-date gross pay amount will be reflected on your new pay stub?
- A. \$3,359.78
 - B. \$2,817.65
 - C. \$2,980.36
 - D. \$3,086.68
39. What type of deposit-taking institution is owned by its members or customers?
- A. Credit union
 - B. Investment bank
 - C. Full-service broker
 - D. Discount broker

40. What type of retirement plan gives employees little control but guarantees a specific amount for employees?
- A. Defined contributions
 - B. Defined benefits
 - C. 401(k)
 - D. Social Security
41. Which of the following is a benefit of whole-life insurance:
- A. The policyholder can borrow the policy's cash value.
 - B. It combines death benefits with a savings plan.
 - C. The policyholder earns interest at current rates.
 - D. It has lower premiums than term insurance.
42. One of the purposes of providing orientation for new employees is to
- A. fulfill government requirements.
 - B. get the employees off to a good start.
 - C. assess the employees' job progress.
 - D. assign the employees to appropriate jobs.
43. The Norton Company conducts a survey to obtain feedback about the quality of its goods and services from the people who use them. The reason for conducting the survey is to
- A. predict the feasibility of a product idea.
 - B. obtain demographic data.
 - C. determine customer-satisfaction levels.
 - D. learn about trends in the marketplace.
44. The search capabilities of the Internet allow businesses to locate large amounts of specific information in a matter of seconds and
- A. bookmark the data for future use.
 - B. create targeted questionnaires.
 - C. analyze the value of the data.
 - D. protect the privacy of the website.
45. "Which advertising campaign will be more effective?" is an example of a
- A. strategy-oriented decision problem.
 - B. discovery-oriented decision problem.
 - C. unit of analysis.
 - D. relevant variable.
46. Which of the following is true about a survey-sampling plan:
- A. Represents a larger group
 - B. Eliminates respondent bias
 - C. Is more reliable than observation
 - D. Tends to have extremely low error rates
47. Businesses often review salespeople's call records and lost-business reports in order to make effective _____ decisions.
- A. financing
 - B. marketing
 - C. hiring
 - D. warehousing

48. Which of the following survey response methods is the most difficult for researchers to code for evaluation:
- Force-choice
 - Closed-end
 - Open-ended
 - Scale-response
49. The Fragrantly Yours Flower Shop determined that it sells between 35 and 50 dozen red roses each week. What measure is the flower shop using to analyze product sales?
- Mode
 - Average
 - Median
 - Range
50. What type of question should be avoided when designing a questionnaire?
- Structured
 - Leading
 - Unstructured
 - Qualitative
51. Which of the following is a primary advantage of conducting a focus group to obtain marketing information:
- Limited preparation
 - Cost effectiveness
 - Discussion relevance
 - Moderator objectivity
52. Donald owns a small photography business. He wants to project a warm, friendly image to the public, so he makes sure his website, marketing efforts, and employees are all welcoming and approachable. Donald is concerned with
- supporting a cause.
 - branding.
 - expanding.
 - networking.
53. Shortly after the local automotive plant laid off 25% of its employees, Main Street Hardware noticed a significant decrease in sales. The hardware store then discontinued its delivery service to reduce costs. Main Street Hardware's change in its marketing strategy was a result of
- a change in monetary policy.
 - fluctuations in the product life cycle.
 - the actions of competitors.
 - a change in economic conditions.
54. Marketers should check on their markets periodically because markets can
- lead.
 - fail.
 - advance.
 - change.
55. What might a business decide to do if the information in its sales forecast predicts a drop in demand for the business's product?
- Reduce prices by 4%
 - Decrease advertising budget
 - Increase production
 - Recruit 50 new employees

56. You have been asked to provide information to management about the impact a highway bypass will have on your business and to identify a recommended course of action. What would be the best way to organize the information?
- A. By cause/effect
 - B. In chronological order
 - C. By emphatic order
 - D. In alternating organization
57. To draw conclusions about data that has been analyzed, you have to
- A. ask a research question.
 - B. summarize what you've learned.
 - C. look for patterns in the data.
 - D. gather background research.
58. Which of the following is an example of unethical business behavior in relation to information management:
- A. Sharing customers' personal information with others with customers' permission
 - B. Telling employees that the business may monitor their telephone calls at work
 - C. Keeping employees' payroll records in unsecured computer databases
 - D. Using opt-in email to communicate product information with customers
59. What type of software program allows businesspeople to combine graphics, transparencies, slides, and text for an on-screen display of information?
- A. Publishing
 - B. Application
 - C. Operating
 - D. Presentation
60. The purpose of data mining is to
- A. monitor the activity of competitors.
 - B. locate potential customers.
 - C. turn raw data into useful information.
 - D. keep employees engaged.
61. A new law was passed that affects the personnel records Germaine must keep at his financial services company. This is an example of which influence on the selection of records that businesses keep?
- A. Leaders
 - B. Regulations
 - C. Industry
 - D. Size
62. Inspiration can improve the morale of a group because inspired people are
- A. sometimes disinterested in their tasks
 - B. usually not engaged in their work.
 - C. generally pessimistic and doubtful.
 - D. typically more optimistic and engaged.
63. Warehousing and shipping methods are operations considerations related to
- A. logistics.
 - B. scheduling.
 - C. maintenance needs.
 - D. expense control.

64. An incident report form used by a business would include information about the
- location of the incident.
 - frequency of this type of incident.
 - medical costs incurred.
 - accident history of the employee.
65. What is likely to occur if a business's employees do not follow the business's security procedures?
- Increased risk of theft
 - Increased accident rates
 - Decreased financial losses
 - Decreased counterfeiting activity
66. Marissa works for a clothes retailer and leads a new product development team. She is a "big-picture" person who likes to make split-second decisions. Because of this, her team has to work hard to make sure that plans are made in advance. This is an example of how planning
- is impacted by the project's leadership.
 - is affected by the economic environment.
 - increases the likelihood of project risks.
 - improves communication with stakeholders.
67. Which of the following is an example of a project:
- Developing your design skills
 - Becoming a better communicator
 - Getting healthier
 - Organizing your desk
68. When reordering merchandise, retailers must compare the financial impact of storing the inventory against the
- ordering costs.
 - selling price.
 - fixed expenses.
 - interest rates.
69. Which of the following is often a factor that a business considers when evaluating a vendor's performance:
- Business plan
 - Order accuracy
 - Invoice number
 - Accounting methods
70. The business owner carried insurance on the building, office equipment, and inventory. This is an example of what type of operating cost?
- Fixed expense
 - Variable expense
 - Legal expense
 - Interest expense
71. Because Ying Li would like to be an engineer someday, she has set several goals for herself. Which of the following would be a long-term goal:
- Get educational information from a counselor.
 - Complete a degree at a four-year university.
 - Find a good-paying job while in college.
 - Visit several university programs in engineering.

72. Nicole is employed at the Ghost Fleet Gallery, where she displays artists' work, develops promotional materials, and instructs children in making pottery. Nicole is exhibiting the personality trait of
- tolerance.
 - creativity.
 - self-discipline.
 - initiative.
73. Katharine has just been hired as a brand manager at a retail chain. Her career is in the area of
- banking services.
 - marketing management.
 - professional selling.
 - operations management.
74. Which of the following often presents an opportunity for current employees to be considered for a promotion:
- Career is being revised.
 - Entry-level job is available.
 - Occupation is high-paying.
 - New position is created.
75. Fostering a positive work environment, reinforcing company values, keeping employees and customers safe, and ensuring compliance with laws and regulations are all benefits that companies enjoy when they
- engage in public relations efforts.
 - refuse to hire teenagers.
 - implement policies and procedures.
 - release annual financial reports.
76. Which of the following is true of people who work in sales:
- Strong math skills are their most important trait.
 - They can find jobs in a limited number of industries.
 - They typically sell products door-to-door.
 - To be successful, they need people skills.
77. Predatory pricing is an unethical business practice because it can create economic conditions in which
- consumers pay higher property taxes.
 - consumers have fewer choices.
 - small businesses gain significant profits.
 - small businesses control market conditions.
78. Business competitors who discuss their costs and the amount of markup on their products may be involved in
- flexible pricing.
 - variable pricing.
 - price lining.
 - price fixing.
79. Because salespeople listen to their customers' likes, dislikes, and suggestions on a regular basis, salespeople are often able to
- establish new trends.
 - identify product opportunities.
 - reorganize personal priorities.
 - order additional inventory.

80. Kelsey's work team decides that the best way to approach a situation is to have each member focus on different aspects of the issue, such as fact finding, positives, negatives, and emotions. What creative-thinking technique is the work team using?
- A. Mind mapping
 - B. Brainstorming
 - C. Six Thinking Hats
 - D. Unconscious problem-solving
81. In its catalogs, a clothing manufacturer states: "If you are not completely satisfied with any item you buy from us at any time during your use of it, return it and we will refund your full purchase price." This is an example of a
- A. guarantee on goods.
 - B. guarantee on goods and service.
 - C. warranty on goods.
 - D. warranty on service.
82. A small health-food store carries a few lines of organic products, while a large grocery store carries a far greater number of product lines. The health-food store has a _____ product mix, while the grocery store has a _____ product mix.
- A. broad; consistent
 - B. broad; narrow
 - C. narrow; broad
 - D. deep; narrow
83. A characteristic of product bundling is that the products that are bundled are sold
- A. at heavily discounted rates.
 - B. only at certain times of the year.
 - C. for one all-inclusive price.
 - D. as loss leaders to loyal customers.
84. The Keebler Elves, Ronald McDonald, and Mr. Peanut are examples of
- A. trade characters.
 - B. product brands.
 - C. trade names.
 - D. private brands.
85. Alcon Technology conducts research on its target market to discover what customers do and don't like about the company. Alcon then uses this feedback to improve the company's branding efforts. Alcon is using _____ in branding.
- A. company history
 - B. internal feedback
 - C. employee insights
 - D. customer voice
86. Why must all businesses incorporate their values into every aspect of their operations?
- A. It gives businesses something interesting to advertise.
 - B. It is less expensive to operate if everyone buys into the same thing.
 - C. This will reinforce their promises to customers and build the brands.
 - D. There will be less employee resistance if there is a standard philosophy.
87. A company's strategy, culture, and communication combine to form brand
- A. touchpoints.
 - B. identity.
 - C. cues.
 - D. promise.

88. Randy's Supermarket wants to promote a new line of "low fat" cookies. The market's promotional message should emphasize how
- A. much time goes into preparing the cookies.
 - B. good the cookies taste with milk.
 - C. well the cookies are packaged.
 - D. healthy the cookies are for consumers.
89. What do advertising regulations usually require businesses to disclose about the products they advertise?
- A. Hidden features
 - B. Personal benefits
 - C. Endorsements
 - D. Limitations
90. Text-message advertising is most likely to be successful when the ads are
- A. randomly sent to a mass audience of smartphone users.
 - B. sent anonymously.
 - C. delivered to the smartphones of people interested in the product.
 - D. lengthy in nature.
91. What is the primary goal of viral marketing?
- A. Staging
 - B. Sharing
 - C. Managing
 - D. Manipulating
92. What is one of the advantages to businesses of using direct-response marketing?
- A. Reaches a large, untargeted audience
 - B. Often generates an immediate sale
 - C. May add to customer convenience
 - D. Is inexpensive to produce
93. In public relations activities, communication channels are used to
- A. market products.
 - B. provide information.
 - C. advertise an image.
 - D. target customers.
94. An important aspect of maintaining positive public relations is communicating with external audiences such as
- A. local businesses, charitable organizations, and customers.
 - B. stockholders, employees, and government agencies.
 - C. charitable organizations, executive managers, and local businesses.
 - D. customers, employees, and the board of directors.
95. School supplies sold by a wholesaler to a retail store is an example of goods sold for
- A. ultimate consumption.
 - B. resale.
 - C. industrial use.
 - D. production.
96. Providing quality customer service on a consistent basis often helps salespeople increase sales to
- A. new prospects.
 - B. first-time buyers.
 - C. current customers.
 - D. major corporations.

97. To avoid legal problems, a salesperson must be careful when telling customers about products so that customers don't confuse the salesperson's opinion statements with
- A. skills.
 - B. facts.
 - C. incompetence.
 - D. indifference.
98. In selling to businesses, the salesperson should gather information about the business and its representatives beforehand, which is part of
- A. closing.
 - B. bargaining.
 - C. questioning.
 - D. prospecting.
99. When customers base their buying behavior on facts and logic, they are being influenced by
- A. rational motives.
 - B. personal preferences.
 - C. economic factors.
 - D. individual needs.
100. An important part of the planning function of management is to determine the business's
- A. sales.
 - B. profits.
 - C. wants.
 - D. goals.

1. A

Appropriation. Torts are civil wrongdoings that cause harm or injury to another party. Appropriation, wrongful interference, defamation, and conversion are four kinds of torts. Appropriation, which Brix Beauty Salon committed, involves a business or person who uses—without permission—another person's name, likeness, and other unique characteristics for the benefit or gain of the user. Brix Beauty Salon used the celebrity's name and picture to attract customers to the salon. Unfortunately, Brix had not obtained permission to use the celebrity's name or likeness. As a result, the celebrity could sue Brix for appropriation. Wrongful interference consists of predatory behavior undertaken by a business to draw either customers or employees away from a competitor. Defamation involves making false, malicious statements about a person or organization. Conversion occurs when personal property is taken from the owner and given to someone else to use.

SOURCE: BL:069

SOURCE: National Paralegal College. (2019). *Appropriation of plaintiff's name or likeness*. Retrieved August 6, 2019, from https://nationalparalegal.edu/public_documents/courseware_asp_files/torts2/InvasionofPrivacy/AppropriationOfPlaintiffsNameOrLikeness.asp

2. C

Bilateral contract. A bilateral contract is a mutually beneficial agreement between two parties in which both parties promise to perform certain activities. In the example, one company makes a promise to ship a certain product by a certain date, and the other company promises to pay for the products within a certain amount of time. An executed agreement is an agreement or contract that has already occurred. Exempt contract and defensible agreement are fictitious terms.

SOURCE: BL:002

SOURCE: Mann, R.A., & Roberts, B.S. (2020). *Business law and the regulation of business* (13th ed.) [pp.185-186]. Boston, MA: Cengage Learning, Inc.

3. C

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

SOURCE: CM:003

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

4. D

Antitrust. A tying agreement is an illegal arrangement that occurs when a business requires a customer to buy other products in order to obtain the goods and services that the customer really wants. To protect individuals and businesses, many governments develop regulations known as antitrust laws that protect individuals and businesses from unfair practices that restrain trade and competition. Probate laws involve estate issues. Zoning laws regulate property uses. Infringement laws address intellectual property issues.

SOURCE: CM:005

SOURCE: Federal Trade Commission. (n.d.). *Tying the sale of two products*. Retrieved August 6, 2019, from <https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/single-firm-conduct/tying-sale-two-products>

5. C
Reduces competition. Some businesses charge their vendors slotting fees to acquire retail shelf space. The purpose of a slotting fee is to cover expenses (e.g., labor, pricing) associated with carrying the product. Because slotting fees can be very expensive, small vendors with limited financial resources often cannot afford to pay slotting fees, which can limit or reduce competition. Activities that inhibit competition and support monopolies are unethical and in many situations, illegal. Slotting fees do not encourage economic growth, eliminate tax incentives, or support competing agreements.
SOURCE: CM:006
SOURCE: Boone, L.E., & Kurtz, D.L. (2019). *Contemporary marketing* (18th ed.) [Lesson 16-6]. Boston, MA: Cengage Learning, Inc.
6. D
Positive; reducing. Competition or price wars between two dealers or retailers usually ends up having a positive impact on customers by reducing prices. Without competition, one company (a monopoly) would be able to increase prices to any level it wished. This would have a negative impact on consumers and would inflate market pricing.
SOURCE: CM:008
SOURCE: Boone, L.E., & Kurtz, D.L. (2019). *Contemporary marketing* (18th ed.) [Lesson 15-3a]. Boston, MA: Cengage Learning, Inc.
7. C
Applauding. When the audience applauds or claps, it is showing that it supports what the speaker is saying. Applause encourages the speaker to continue expressing his/her thoughts. Heckling or making fun of someone is an action that indicates disapproval. When people ignore the speaker, they are not actively listening to the speaker and not indicating their support. If a person tolerates another individual's opinion, s/he does not necessarily agree with an opinion, but supports the individual's right to express that opinion.
SOURCE: CO:082
SOURCE: Candace Smith Etiquette. (2019). *Showing your appreciation with appropriate applause*. Retrieved August 6, 2019, from <http://www.candacesmithetiquette.com/applause.html>
8. C
Poor lighting and noise. Environmental distractions, such as poor lighting or noise, are aspects of the setting that take away from a listener's ability to listen. The speaker's appearance, manner, and personal matters that cause us to worry may also be distractions, but they are not part of the environment.
SOURCE: CO:017
SOURCE: ChangingMinds.org. (2019). *Environmental factors*. Retrieved August 6, 2019, from http://changingminds.org/techniques/listening/environmental_factors.htm
9. C
May not be interpreted accurately. There are several interpretations for each form of nonverbal communication. If the listener misinterprets what s/he sees, communication will be inaccurate. For example, folding your arms across your chest could mean that you have reservations about what you are hearing, you disagree with it, you are displeased, or you are defiant. Nonverbal communication is more common than many people realize, and many successful leaders practice nonverbal communication skills.
SOURCE: CO:059
SOURCE: Guffey, M.E., & Loewy, D. (2019). *Essentials of business communication* (11th ed.) [Lesson 1-3]. Boston, MA: Cengage Learning, Inc.

10. A

Name, organization, and telephone number. Effective message taking is an important part of handling telephone calls in a businesslike manner. So that Pablo's coworker can return the telephone call, Pablo needs to ask for and write down the caller's name, the name of the organization that the caller works for, and the caller's telephone number. The message taker should obtain the caller's full (first and last) name because it is possible that the caller's organization has more than one employee with the same first or last name. The caller's zip code and address are not critical information to record when taking a telephone message.

SOURCE: CO:114

SOURCE: Guffey, M.E., & Loewy, D. (2019). *Essentials of business communication* (11th ed.) [Lesson11-3b]. Boston, MA: Cengage Learning, Inc.

11. A

By value. When information is organized by value or size, either the least valuable (i.e., smallest or least expensive) or most valuable (i.e., largest or most expensive) item is listed first, followed by other items in ascending (if starting with the least valuable) or descending (if starting with the most valuable) order. The professional wedding photographer, for instance, is organizing her photo packages in order from least expensive to most expensive so that customers can quickly determine what is available to them at different price points. Some information can also be organized by geographic location, such as by state, county, or city. Information organized in inductive order begins with facts and examples and ends with conclusions. Information organized deductively, on the other hand, presents the conclusions or main ideas first, followed by facts and examples that support the conclusions or main ideas. The professional wedding photographer is not organizing her photo package information inductively, deductively, or by location.

SOURCE: CO:086

SOURCE: Wilson, B.G. (n.d.). *Chapter 10 lecture: Six methods for organizing data*. Retrieved August 6, 2019, from http://www.marin.edu/buscom/index_files/Page1347.htm

12. B

A quote stating the number of children who are homeless. To capture the attention of readers, a persuasive letter must grab their attention and get them in a receptive mood. Jana's job qualifications and other types of background information, such as the number of rooms in the shelter, should not be presented until the readers understand why it is important for them to hear this message. Asking the readers to do something to help should come after the readers have been persuaded that the cause or topic of the letter is important.

SOURCE: CO:031

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 6-1]. Boston, MA: Cengage Learning, Inc.

13. D

Location. People in different geographic areas often refer to certain things using different terms. For example, people in some parts of the U.S. refer to soft drinks as "pop," while individuals in other parts of the country call soft drinks "soda." Since the company is choosing its words based on the language preferences of a certain location, it is not taking ethnicity, education, or income into consideration.

SOURCE: CO:203

SOURCE: Pride, W.M., & Ferrell, O.C. (2019). *Foundations of marketing* (8th ed.) [Lesson 16-2a]. Boston, MA: Cengage Learning, Inc.

14. A

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

SOURCE: CR:006

SOURCE: WikiHow. (2018). *How to answer customer service questions*. Retrieved August 6, 2019, from <http://www.wikihow.com/Answer-Customer-Service-Questions>

15. C
Providing efficient follow-up. Customers often base their impressions of a business on the interactions they have with the business's employees. In the situation provided, Karl worked quickly to find out the status of the order and immediately called Mr. Schwarz with specific information about where the order was and when to expect delivery. This is an example of efficient follow-up. By providing efficient service, Karl is building favorable relationships with customers. There is not enough information provided to determine if Karl delegated work tasks to facilitate his follow-up activities or if he complimented Mr. Schwarz.
SOURCE: CR:002
SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 14-1]. Boston, MA: Cengage Learning, Inc.
16. B
Consumer services. Services are intangible activities that are performed by others for money, and consumer services are those services that are purchased and actually used by the ultimate consumer. A dry cleaner that launders and presses shirts is selling a service to the ultimate consumer, the person who owns the shirts. Specialty goods are consumer goods with special or unique characteristics that consumers are willing to exert special efforts to obtain. Tangible items are capable of being touched, smelled, tasted, seen, or heard. Industrial supplies are goods that are constantly being purchased and used up in the operation of a business.
SOURCE: EC:002
SOURCE: Pride, W.M., & Ferrell, O.C. (2019). *Foundations of marketing* (8th ed.) [Lesson 10-1]. Boston, MA: Cengage Learning, Inc.
17. C
1 to 2. If the price of one product is \$15.00 and another product is \$30.00, they have a price ratio of 1 to 2 since one product has twice the value of the other product. If the price of each item were to double, they would still have the same price ratio. Whether a person bought the branded shirt or the unbranded shirt would be determined by the value of the item to the consumer. 15 to 30, 1/2, and 2 are not correct price ratios in this case.
SOURCE: EC:006
SOURCE: Brechner, R., & Bergeman, G. (2020). *Contemporary mathematics for business and consumers* (9th ed.) [Lesson 5-5]. Boston, MA: Cengage Learning, Inc.
18. C
Wholesaler. This kind of business provides goods used by businesses in their day-to-day operations. Taylor would go to a retailer if she was buying paper for herself. A service provider would not sell paper. A raw goods producer would be able to sell Taylor the materials to make her own paper, but not the paper itself.
SOURCE: EC:070
SOURCE: LAP-EC-070—Business Connections (Business and Society)
19. D
Division of labor. Separating a big job into several smaller tasks is an organizational principle known as division of labor. When employees specialize in certain tasks such as making bike chains or assembling wheels, they are able to perform their jobs more efficiently. The Valley View Corporation is not practicing insider trading in this example, an illegal practice in which undisclosed information is used to make a profit. The corporation may be implementing project management as a broader corporate strategy, but it is difficult to tell from this example. The company is not practicing outsourcing of labor; its employees work in the company's own factory.
SOURCE: EC:103
SOURCE: LAP-EC-103—Designed To Work (Organizational Design of Businesses)

20. C

\$575. Net profit is the amount of money that is left after operating expenses are subtracted from gross profit. In order to calculate gross profit, first determine the total cost of goods sold ($\$35 \times 100 = \$3,500$) and the total income from sales ($\$55 \times 100 = \$5,500$). Then, subtract cost of goods sold from income to determine gross profit ($\$5,500 - \$3,500 = \$2,000$). Subtract operating expenses from gross profit to find net profit ($\$2,000 - \$1,425 = \$575$).

SOURCE: EC:010

SOURCE: LAP-EC-002—Risk Rewarded (Factors Affecting Profit)

21. A

To avoid double counting. Businesses produce a variety of goods that are used as components of other goods. To avoid including these intermediate goods in the GDP count, thereby inflating actual GDP, the intermediate goods are only included in the GDP count when they become components of their finished goods. Public goods are those items that are paid for with tax money, thus being "free" to anyone who wants to use them. They are only counted in GDP when they are finished goods. Welfare payments are not an aspect of finished goods. Inflation makes the value of a dollar worth less in the future than it is today.

SOURCE: EC:017

SOURCE: McEachern, W.A. (2018). *Contemporary economics* (4th ed.) [Lesson 13-1.1]. Boston, MA: Cengage Learning, Inc.

22. B

Export its products to other countries. A country with a thriving economy increases global trade because it is able to produce and export products to other countries. Trade restrictions are used to limit international trade and financially protect domestic enterprises. Countries that trade globally must comply with international transportation laws. When a country's economy grows, it seeks the financial rewards it can gain by assuming the external business risks of world trade.

SOURCE: EC:116

SOURCE: Griffin, D. (2017). *Free trade agreement benefits*. Retrieved August 6, 2019, from <http://smallbusiness.chron.com/trade-agreement-benefits-3832.html>

23. C

Monitor and challenge your biased thoughts. Once you have acknowledged that your bias exists, you can begin to challenge the biased thoughts you have. Try to transform the images in your head so they deviate from the stereotype or biased thought. This active process of challenging your thoughts will help shed bias and retrain your mind. Trying not to dwell on existing bias is equivalent to not acknowledging it. Explaining to others that everyone has bias will not help you personally overcome your biases. Finally, interacting with others who share your bias will not help you overcome it and might in fact perpetuate it.

SOURCE: EI:017

SOURCE: LAP-EI-139—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

24. A

Dishonest. What Jamie is doing is wrong because it is stealing. The money in the petty cash fund belongs to the business and is meant to be used to buy small items the business may need. Taking this money is unethical, dishonest, and unacceptable, and Jamie is likely to be fired if caught. Her behavior is not reasonable, impartial, or justified.

SOURCE: EI:022

SOURCE: Duff, V. (2016). *Examples of unethical behavior in the workplace*. Retrieved August 6, 2019, from <http://smallbusiness.chron.com/examples-unethical-behavior-workplace-10092.html>

25. C

Discrimination. Discrimination is unfair treatment of a person or group based on the person's or group's characteristics. It occurs when prejudiced beliefs are put into action. Stereotypes are generalized, set assumptions about people or things. Impartiality is the state of being unaffected by personal bias or prejudice. Justice is treating everyone how they deserve to be treated according to their unique needs and characteristics.

SOURCE: EI:127

SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)

26. B

Tara posts several negative comments about a girl she doesn't like on Facebook. Since Tara is posting negative comments about someone, she could be viewed as a bully, which could damage her reputation. Akim sharing a funny Snapchat video with a friend or Ryan liking a friend's positive post would not likely hurt their reputations. Sage removing a photo because her mother disapproves of it is not likely to affect her reputation.

SOURCE: EI:091

SOURCE: LAP-EI-091—Worth the Risk (Assessing Risks of Personal Decisions)

27. C

Over-commitment can lead to a lower quality of work. It is important for workers to assess the time involved with a project before volunteering to work on it. When workers volunteer to take on too many activities (over-commitment), they often find that they don't have enough time to complete the projects thoroughly and correctly, which affects the quality of the work. Dillon may not have the authority to delegate work to other employees. Managers often notice, appreciate, and acknowledge the employees who accept additional responsibilities and produce quality work; however, these circumstances do not ensure that the employees will be promoted. When an employee takes on too many activities, starting one project before finishing another project may not improve the quality of the employee's work.

SOURCE: EI:077

SOURCE: Carlson, M. (2014, November 26). *Overcommitting and underutilizing resources is risky business*. Retrieved August 6, 2019, from <http://www.innovationmanagement.se/2014/11/26/overcommitting-and-underutilizing-resources-is-risky-business/>

28. C

Showing an understanding of customers' feelings. Empathy is the ability to put yourself in another person's situation. Salespeople can demonstrate their empathy by showing customers they understand how the customers feel. Giving customers reasons to buy is feature/benefit selling. Creating a favorable impression with the customer may be a result of showing empathy. Selling items to go with what customers have already purchased is selling related items through suggestion selling.

SOURCE: EI:030

SOURCE: LAP-EI-030—Have a Heart (Showing Empathy for Others)

29. B

Aggressive. A person who ignores the rights of others is said to be aggressive. Aggressive people often take advantage of others to achieve their personal goals. When Meaghan pressures, threatens, and insults coworkers, she is being aggressive. A person who ignores the rights of others may or may not be motivated. Assertive people express themselves, communicate their points of view, and stand up for their rights, principles, and beliefs. Passive people fail to exercise their own rights or respect their own needs.

SOURCE: EI:008

SOURCE: LAP-EI-018—Assert Yourself (Assertiveness)

30. B

Do not vote. Consensus building is the group's process of coming to an agreement. However, the members do not vote because voting involves being for or against a decision. The side with the greater number of votes wins. In consensus building, no one wins because all of the members come to an agreement. Each group member's opinion is of value, and each member contributes to reaching an agreement. Therefore, each member has equal power. Consensus building does not involve following the leader or accepting majority rule.

SOURCE: EI:011

SOURCE: LAP-EI-019—It's a Group Thing (Consensus Building)

31. C

Unmotivated people often display high absenteeism. People who lack motivation often prevent their teams from achieving their goals by exhibiting negative behaviors such as poor work ethic, superficial effort, indifference toward customers, and high absenteeism. Unmotivated people do not have excellent work ethic, they typically do not display authentic effort at work, and are often disengaged with their work.

SOURCE: EI:059

SOURCE: LAP-EI-059—Raise Them Up (Motivating Others)

32. C

Changes in regulation. An environmental scan is an analysis of external forces that influence a business's success. By examining political, economic, sociocultural, and technological factors that affect the business, it can take steps to ward off the threats and take advantage of the opportunities based on the information that the scan provides. Political factors that a business might examine include changes in regulation (laws) that govern how the business operates. The fluctuation of unemployment rates is an economic factor. Shifts in consumer lifestyles are sociocultural factors. Widespread use of wireless devices is a technological factor.

SOURCE: NF:015

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 3-1a]. Boston, MA: Cengage Learning, Inc.

33. B

Know how to disagree tactfully. Positive people are pleasant to be around because they smile a lot and have an upbeat attitude. They also know how to disagree with other people without getting into an argument. Their other characteristics include being open-minded, having an objective point of view, and being dependable. The fact that they may come in contact with many people is not an essential factor.

SOURCE: EI:037

SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)

34. D

Have an adventurous spirit. Entrepreneurs must have an adventurous spirit because they assume a lot of risk and uncertainty, as well as experience excitement and spontaneity. Entrepreneurs do not necessarily have to be independently wealthy, though they should have enough in savings to survive at least a few years without turning a profit. Entrepreneurial business owners should not desire a regular 40-hour work week because entrepreneurs work long and irregular hours. Finally, entrepreneurial business owners need to plan ahead and account for all the resources they will need to start a new business.

SOURCE: EN:040

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 779-780). Columbus, OH: Glencoe/McGraw-Hill.

35. B

Store of value. Money functions as a store of value when it is saved rather than spent. The money can be held over time, and it retains value for future purchasing power. In some situations, money is invested or placed in an account that generates more value. Money also serves as a medium of exchange. This occurs when money is used to obtain goods and services. Bartering involves trading one good or service for another good or service. Money also functions as a measure of value. When money functions as a measure of value, the individual holding the money assesses what s/he is willing to pay for a good or service, thereby communicating the product's value or worth.

SOURCE: FI:060

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [p. 43]. Tinley Park, IL: The Goodheart-Willcox Co.

36. C

Fair Credit Reporting Act. This legislation gives consumers the right to inspect and correct, if necessary, the files of their credit history. Errors can easily occur, and it is very important that consumers know what is in these files and that they are kept up to date. The Truth-in-Lending Act requires businesses to give customers specific credit information. The Equal Credit Opportunity Act prohibits the denial of credit based on the applicant's race, color, religion, national origin, sex, marital status, age, or public assistance status. The Fair Credit Billing Act gives businesses that extend credit specific deadlines by which they must respond to customer complaints about billing errors.

SOURCE: FI:002

SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

37. B

Saving money for unexpected situations. Financial goals are objectives measured in terms of money. Setting financial goals involves financial planning, which is the determination of how to achieve the financial goals. An important aspect of financial planning involves saving money for unexpected situations. Saving money for unexpected situations provides you with funds to pay your bills if you are unable to earn an income for some reason, such as job loss or illness. Obtaining and using several credit cards is problematic if you cannot pay the balances due in a timely manner. The level of investment risk depends on many factors including the individual's comfort level with risk, income level, and age. Financial goals should be specific rather than broad.

SOURCE: FI:065

SOURCE: LAP-QS-031—Set Yourself Up (Setting Financial Goals)

38. C

\$2,980.36. A year-to-date gross pay amount only reflects gross income. To calculate the new year-to-date gross pay, add the gross pay amount to the previous year-to-date gross pay ($\$542.13 + \$2,438.23 = \$2,980.36$).

SOURCE: FI:068

SOURCE: Clearpoint. (2011, December 15). *How to read your paycheck stub*. Retrieved August 19, 2019, from <https://www.clearpoint.org/blog/how-to-read-your-pay-stub/>

39. A

Credit union. A credit union is a nonprofit financial cooperative set up to provide savings and credit services to its members, who own the credit union. An investment bank is a financial intermediary that underwrites securities and facilitates mergers. Brokers trade stocks. Full-service brokers usually charge the highest commissions because they provide in-house research and personalized investment guidance. Because discount brokers offer fewer services than full-service brokers, they have lower commissions.

SOURCE: FI:075

SOURCE: Prichard, J. (2017, May 25). *Credit unions—How credit unions work*. Retrieved August 19, 2019, from <http://banking.about.com/od/creditunions/a/creditunions.htm>

40. B

Defined benefits. A defined benefits retirement plan guarantees the specific benefit that will be payable at the time of retirement. The employee does not have much control over the funds until they are received, but the employer is the one who bears the risk for making sure that the amount is paid. Defined contribution plans are funded primarily by the employee, with the employer matching contributions. A 401(k) is a type of defined contribution plan. Social Security is a government system that provides benefits to retired people and is funded through payroll tax.

SOURCE: FI:569

SOURCE: National Endowment or Financial Education. (2017). *Defined benefit plans versus defined contribution plans*. Retrieved August 19, 2019, from <http://www.myretirementpaycheck.org/retirement-plans/defined-benefit-plans.aspx>

41. A

The policyholder can borrow the policy's cash value. A whole-life insurance policy builds cash value as the policyholder pays premiums at regular intervals. If, at some point, the policyholder needs a loan, s/he can borrow the cash value of the policy. Universal life insurance combines death benefits with an investment and savings plan that earns interest at current market rates. Whole-life insurance rates are higher than term insurance rates because term insurance only pays death benefits if the policyholder dies during the set period of time covered by the policy.

SOURCE: FI:081

SOURCE: Marquand, B. (2016, February 5). *The differences between term and whole life insurance*. Retrieved August 19, 2019, from <https://www.nerdwallet.com/blog/insurance/what-is-the-difference-between-term-whole-life-insurance/>

42. B

Get the employees off to a good start. A good orientation program answers basic questions for new employees and helps them feel welcome and comfortable in their new surroundings. This gets them off to a good start on the job. There is no government requirement that businesses must provide orientation. New employees have already been hired to do a specific job before they are given orientation. Assessing job progress cannot take place until after the employee has done the job for a while.

SOURCE: HR:360

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 262-263). Columbus, OH: Glencoe/McGraw-Hill.

43. C

Determine customer-satisfaction levels. Businesses obtain and use marketing information for many reasons. Businesses often ask customers for feedback to determine how satisfied the customers are with their goods and services. Some tools that businesses use to obtain this information are written surveys and telephone and personal interviews. After a business collects the information, it can determine what it is doing well and where it might need to make changes to improve customer-satisfaction levels. The primary purpose of conducting the survey is not to obtain demographic data, predict the feasibility of a product idea, or learn about trends in the marketplace.

SOURCE: IM:012

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials*. (p. 689). Columbus, OH: McGraw-Hill Companies, Inc.

44. A
Bookmark the data for future use. Businesses often use the search capabilities of the Internet to look for marketing information that would take a long time to find using conventional research techniques. The technology that makes the Internet possible allows businesses to quickly and inexpensively search for information throughout the world. Searching online allows businesses to locate large amounts of specific information in a matter of seconds. Once a business locates useful marketing information online, it can download the information to a disk and print hard copies. This enables businesses to refer to the data whenever necessary and keep the information for future use. The search capabilities of the Internet do not allow businesses to create targeted questionnaires, analyze the value of the data, or protect the privacy of the website.
SOURCE: IM:183
SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 5-3c]. Boston, MA: Cengage Learning, Inc.
45. A
Strategy-oriented decision problem. "Which advertising campaign will be more effective?" is an example of a strategy-oriented decision problem. These problems ask "how?" or "which?" Discovery-oriented decision problems ask "what?" or "why?" A unit of analysis is the entity or element that is being studied in market research (e.g., individual, household, etc.). Relevant variables are the types of information studied in a marketing research project (e.g., brand awareness, customer satisfaction, etc.).
SOURCE: IM:282
SOURCE: LAP-IM-282—What's the Problem? (Marketing Research Problems)
46. A
Represents a larger group. A sampling plan is the course of action for gathering marketing information from a section or portion of a target market. A business gathers data from a portion of the target market because the market is often too large to obtain data from each market member. Therefore, researchers use the sample group's responses to represent the larger group's opinions and ideas. Sampling plans use different methods to select and gather information. The marketing research issue or problem and the way the sample data are collected influence but do not eliminate the respondents' bias and error rates. Observation is a method of collecting primary data, which may or may not be more reliable than other research methods.
SOURCE: IM:285
SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)
47. B
Marketing. Most businesses use the information provided by salespeople to make effective marketing decisions. This type of sales information often indicates what customers like or don't like about the business and its products. For example, it might indicate why a customer no longer buys from the business, which would enable the business to make changes to its marketing strategy. The more information a business obtains from sales reports, the better able it is to make useful and effective marketing decisions. Businesses do not review salespeople's call records and lost-business reports in order to make effective financing, hiring, and warehousing decisions.
SOURCE: IM:184
SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)
48. C
Open-ended. Researchers assign codes to survey responses in an effort to use the information in a numerical mode. Open-ended questions are designed so that respondents react to questions in a manner that requires more than "yes" or "no" as an answer. Because possible responses are not controlled or limited, coding is often more difficult. Closed-end questions offer limited response options to inquiries or statements. Force-choice questions are closed-end questions. A scale is a method of measurement that assigns range of possible responses. For example, a scale that is often used to assess a respondent's feeling regarding a statement might range from "strongly agree" to "strongly disagree." This is a form of the force-choice response method.
SOURCE: IM:062
SOURCE: Brown, T.J., Suter, T.A., & Churchill, G.A., (2018). *Basic marketing research* (9th ed.) [Lesson 13-4a]. Boston, MA: Cengage Learning, Inc.

49. D

Range. Range is the distance between the smallest and largest value in a set of responses. Thirty-five dozen was the smallest number of red roses sold during a week, and 50 dozen was the largest number. An average (mean) is the sum of all of the responses divided by the number of options provided. The median is the middle value of the established sample criteria; half of the data or responses are below the median (numerical) value, and half of the responses are above the median (numerical) value. Mode is the most common value in a set of responses to a question.

SOURCE: IM:191

SOURCE: Brechner, R., & Bergeman, G. (2020). *Contemporary mathematics for business and consumers* (9th ed.) [Lesson 21-8]. Boston, MA: Cengage Learning, Inc.

50. B

Leading. Marketing researchers should avoid the use of leading questions on their questionnaires because these tend to influence the respondents' answers and create bias, which skews results. An example of a leading question is, "Don't you agree that teachers should earn more money for all that they do?" The way that the question is worded is likely to make the respondent feel like s/he is not a proponent of education and the teaching profession if s/he answers "no." Structured questions provide options from which the respondent can choose. Unstructured questions are open-ended questions that allow respondents to provide qualitative information and in-depth responses. Structured and unstructured questions are acceptable question formats to use on questionnaires.

SOURCE: IM:293

SOURCE: Brown, T.J., Suter, T.A., & Churchill, G.A., (2018). *Basic marketing research* (9th ed.) [Lesson 13-5c]. Boston, MA: Cengage Learning, Inc.

51. C

Discussion relevance. 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. When a business holds a focus group, it is collecting marketing information about a specific topic, which makes it primary research data for the business. Because the business is collecting the information for a specific purpose, the data are relevant to the business. Weaknesses or disadvantages for businesses that hold focus groups are that they can be expensive and can take a lot of time to prepare for. And, sometimes, the focus-group moderator projects a bias, which hurts the objectivity of the research.

SOURCE: IM:428

SOURCE: Brown, T.J., Suter, T.A., & Churchill, G.A., (2018). *Basic marketing research* (9th ed.) [Lesson 4-3]. Boston, MA: Cengage Learning, Inc.

52. B

Branding. Donald's company, like most businesses, has branding goals geared toward projecting a certain image to the public. Donald wants to control how his company is perceived in consumers' minds. Supporting a cause refers to a business identifying with a nonprofit organization like the Red Cross. Many companies set goals for expansion that don't have much to do with projecting a certain image. They may want to create a new product line, build a larger facility, or merge with another company. Image-cultivation is not a common strategy used in networking.

SOURCE: MK:015

SOURCE: LAP-MK-015—Act Now! (Employee Actions and Company Goals)

53. D

A change in economic conditions. A rise in the unemployment rate is a change in economic conditions. The resulting decrease in sales made it necessary for Main Street Hardware to reduce its costs. The actions of competitors, product life cycle changes, and a change in monetary policy are other factors that could create a need to change marketing strategies.

SOURCE: MP:001

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

54. D
Change. Though markets may appear to fail, advance, or lead other markets—it is change that prompts marketers to check on their markets periodically.
SOURCE: MP:003
SOURCE: LAP-MP-003—Have We Met? (Market Identification)
55. A
Reduce prices by 4%. Businesses use the information in sales forecasts to make decisions that will contribute to their success. One of these decisions involves price. If a sales forecast predicts a drop in demand for the business's product, the business may decide to reduce prices in order to generate more sales. If a sales forecast predicts a drop in demand, a business would not increase production or recruit new employees. Many businesses increase advertising when demand begins to drop in order to attract new customers.
SOURCE: MP:013
SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 19-3]. Boston, MA: Cengage Learning, Inc.
56. A
By cause/effect. Identifying the causes and/or the effects of the highway bypass will be helpful in persuading management to make a decision about its course of action. Cause tells management why the bypass happened, while effect presents the results of the bypass. Chronological order would provide management with information according to the sequence in which the bypass occurred. An alternating organization pattern would stress the points you want to make about a comparison you are making. Emphatic order would present your ideas in their order of importance, either the strongest point being given first or last.
SOURCE: NF:080
SOURCE: Writing@CSU. (1993-2019). *Cause/effect*. Retrieved August 7, 2019, from <https://writing.colostate.edu/guides/page.cfm?pageid=558&guideid=29>
57. B
Summarize what you've learned. After you have analyzed data, you must draw conclusions about what you've learned. These conclusions should summarize everything you have learned from your data analysis. By the time you are drawing conclusions from data analysis, you should have already created a research question, looked for patterns in the data, and gathered background research.
SOURCE: NF:278
SOURCE: Taylor, C. (2019, June 27). *How to write a conclusion for a research paper*. Retrieved August 7, 2019, <https://www.wikihow.com/Write-a-Conclusion-for-a-Research-Paper>
58. C
Keeping employees' payroll records in unsecured computer databases. Businesses have an ethical obligation to store their confidential information (e.g., payroll records) in secure and confidential ways. One way to protect confidential information is to limit others' accessibility to it. Requiring qualified employees to use computer passwords to access the confidential information can reduce the risk of unethical behavior—such as snooping or spying. Telling employees about telephone monitoring policies, requesting customers' permission to share their information with others, and using opt-in email to communicate with customers are ethical actions.
SOURCE: NF:111
SOURCE: Burrow, J.L., & Kleindl, B. (2012). *Business management* (13th ed.) [pp. 312-313]. Mason, OH: South-Western, Cengage Learning.

59. D

Presentation. Presentation software programs allow businesspeople to create computer-generated presentations that may include graphics, transparencies, slides, text, sound, video, or animation. The advantage of using presentation software is that it enables businesses to develop colorful, eye-catching presentations that display information in an interesting manner. Application, operating, and publishing software programs do not combine graphics, transparencies, slides, and text for an on-screen display of information.

SOURCE: NF:008

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (pp. 214-215). Columbus, OH: Glencoe/McGraw-Hill.

60. C

Turn raw data into useful information. Data mining involves looking at large quantities of data and extracting the information that can help a company better understand its customers, increase sales, and decrease costs. The purpose of data mining is not to locate potential customers, monitor the activity of competitors, or keep employees engaged.

SOURCE: NF:148

SOURCE: Twin, A. (2019, June 25). *Data mining*. Retrieved August 7, 2019, from <http://www.investopedia.com/terms/d/datamining.asp>

61. B

Regulations. When a law affects the records a business keeps, a regulatory factor is influencing the selection of records. Business size may also affect the selection of records, but it is not represented in this example. Leaders and the industry in which the business is involved may or may not affect the selection of records. Leaders and the industry can influence the laws that are introduced, however.

SOURCE: NF:001

SOURCE: LAP-NF-001—Record It (Business Records)

62. D

Typically more optimistic and engaged. Inspiring other people can improve the morale of a group because inspired people are usually more optimistic and engaged in their work than those who are not inspired. Inspired people are generally optimistic and confident about the future, not pessimistic and doubtful. People who are inspired are rarely disinterested in their tasks; rather, they are excited and enthusiastic.

SOURCE: EI:133

SOURCE: LAP-EI-133—A Force for Good (Inspiring Others)

63. A

Logistics. Operations are the day-to-day activities for continued business functioning. Logistics refers to the function of operations that manages the flow of goods and services from production to consumption. Logistics includes all the people, information, and processes involved in storing (e.g., type of warehouse) and transporting goods (e.g., shipping method). Scheduling is the production activity that establishes the timetable to be followed in production. Maintenance needs refer to the routine maintenance and repair of business facilities and equipment. The operations function controls many activities within the business, which means that this function encounters a lot of expenses incurred by the business. Therefore, expense control is an important operations activity because it focuses on efficiency and keeping the business's costs low for its day-to-day activities.

SOURCE: OP:189

SOURCE: LAP-OP-189—Smooth Operations (Nature of Operations)

64. A

Location of the incident. An incident report form is completed by employees and/or supervisors to report specific details of workplace accidents. Incident frequency and employee history are information that can be obtained by reviewing a file of incident report forms. Medical costs would not be known at the time that the report is completed, but they are important considerations for insurance claims.

SOURCE: OP:009

SOURCE: Safeopedia. (2019). *Incident report*. Retrieved August 7, 2019 from <https://www.safeopedia.com/definition/3310/incident-report>

65. A

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

SOURCE: OP:152

SOURCE: Daciuk, E. (2017, December 21). *5 steps to reduce retail theft & shoplifting in your business*. Retrieved August 7, 2019, from <http://fitzsmallbusiness.com/reduce-retail-theft/>

66. A

Is impacted by the project's leadership. Whoever is in charge of the project has an impact on how it is planned. Marissa, for example, is a "big-picture" person and likes to make split-second decisions, so the way her team plans must be in line with her leadership style. This is not an example of how planning is affected by the economic environment. This is not an example of how planning increases the likelihood of project risk; in fact, planning helps manage project risk. While planning does improve communications with stakeholders, this example does not reflect that.

SOURCE: OP:519

SOURCE: LAP-OP-519—Plan On It! (Planning Projects)

67. D

Organizing your desk. A project is any type of undertaking or task that has a distinct beginning and end, such as organizing your desk. Becoming a better communicator, getting healthier, and developing your design skills are not projects because they do not necessarily have a distinct beginning and end.

SOURCE: OP:003

SOURCE: LAP-OP-531—Get What You Need (Identifying Project Resources)

68. A

Ordering costs. Ordering costs are the expenses that retailers incur to buy merchandise. The price they pay for the items, shipping charges, taxes, personnel salaries, and some operational expenses (e.g., telephone charges) might be considered when determining the ordering costs. Ordering costs are often compared to the cost of warehousing the product for a certain period of time. When warehousing costs are less than ordering costs, retailers generally reorder more products on a less frequent basis. The selling price is the price that the end user pays for an item. Fixed expenses refers to the payables that remain the same for a set period of time. Insurance and rent are examples of a business's fixed expenses. Interest is defined as the money payments for the use of borrowed money. The interest rate is the percentage figure used in calculating interest charges for a loan.

SOURCE: OP:016

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 423-424]. Tinley Park, IL: The Goodheart-Willcox Co.

69. B

Order accuracy. Businesses evaluate their vendors' strengths and weaknesses to determine if changes should be made. One factor that businesses evaluate is the accuracy of a vendor's orders. If the vendor consistently sends incorrect items, the business can work with the vendor to correct the problems, or it can decide to terminate the relationship with the vendor. Other considerations might include invoice accuracy, order lead-time, and delivery time. The business does not usually evaluate the vendor's business plan, invoice numbers, or accounting methods.

SOURCE: OP:162

SOURCE: Wisner, J.D., Tan, K., & Leong, G.K. (2019). *Principles of supply chain management* (5th ed.) [Lesson 3-2]. Boston, MA: Cengage Learning, Inc.

70. A
Fixed expense. The costs of doing business that do not fluctuate with changes in sales volume are known as fixed expenses. Payments for such items as insurance, taxes, and interest are fixed amounts that the business owner must pay on a regular basis. Variable expenses may change depending on changes in the volume of sales and include such items as employee salaries, supplies, and advertising. Interest is the amount of money businesses pay for borrowing capital. Legal expenses include costs for lawyers and fees for government licenses.
SOURCE: OP:024
SOURCE: LAP-OP-009—Watch Your (Over) Head (Overhead/Operating Costs)
71. B
Complete a degree at a four-year university. Long-term goals will take a year or more to reach, such as attending a university for four years. Getting educational information, finding a job, and visiting universities are short-term goals because they can be completed in a matter of weeks.
SOURCE: PD:018
SOURCE: LAP-PD-016—Go for the Goal (Goal Setting)
72. B
Creativity. The ability to generate new ideas, display works of art, and teach children a craft reflect creativity. Initiative is the willingness to act without having to be told to do so. Tolerance is the willingness to accept others and their differences. Self-discipline is the ability to control your thoughts and behaviors.
SOURCE: PD:012
SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)
73. B
Marketing management. Katharine's career is in the area of marketing management. Careers in marketing management involve all marketing functions, including channel management, marketing-information management, pricing, product/service management, promotion, and selling. Katharine's career is not in the area of banking services, professional selling, or operations management. Banking services include cash management, short-term investments, mortgages and other loans, credit cards, and bill payment. Careers in professional selling involve marketing and management activities that determine customer needs/wants and respond through planned, personalized communication to influence purchase decisions and enhance future business operations. Employees working in operations management focus on planning, organizing, coordinating, and controlling the resources needed to produce/provide a business's goods and/or services.
SOURCE: PD:025
SOURCE: LAP-PD-025—Go for It! (Careers in Business)
74. D
New position is created. The opportunity for promotion often occurs when employees retire or leave the company, or the business creates new positions. Many businesses prefer to promote from within, so the creation of new jobs opens the door for current employees to be considered for a promotion. As businesses grow and prosper, they often create new positions and give current employees the opportunity to apply. An entry-level job is a starting position rather than a promotion. Employees are not considered for a promotion because the occupation is high-paying or the career is being revised.
SOURCE: PD:034
SOURCE: Kurtus, R. (2016, December). *Basics of career advancement*. Retrieved August 7, 2019, from http://www.school-for-champions.com/career/basics_of_career_advancement.htm#.V64CVpgrKUK
75. C
Implement policies and procedures. Company policies and procedures serve many important purposes, including fostering a positive work environment, reinforcing company values, keeping people safe, and ensuring compliance with laws. These are not benefits of refusing to hire teenagers, engaging in public relations efforts, or releasing annual financial reports.
SOURCE: PD:250
SOURCE: LAP-PD-250—Do You Follow? (Adhering to Company Protocols and Policies)

76. D

To be successful, they need people skills. People skills are very important to salespeople. Whether they're talking to customers and prospects in person, on the phone, or online, salespeople must be able to communicate and listen. Salespeople can work in almost any industry, and selling products door-to-door is only a small part of the sales industry. Strong math skills are not the most important trait for a salesperson to possess.

SOURCE: PD:024

SOURCE: LAP-PD-024—Career Opportunities in Marketing

77. B

Consumers have fewer choices. Predatory pricing is the practice of pricing goods extremely low with the goal of driving the competition out of business. If a company forces its competitors out of business, consumers have fewer items from which to choose or fewer places to purchase goods. Predatory pricing practices might leave fewer choices for consumers, but they do not necessarily lead to higher property taxes. Small companies are often the businesses that are most affected by predatory pricing.

SOURCE: PI:015

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 19-5h]. Boston, MA: Cengage Learning, Inc.

78. D

Price fixing. Price fixing is an illegal business agreement in which businesses agree on prices of their goods or services, resulting in little choice for the consumer. Businesses that discuss their costs, markups, and prices with competing businesses may be involved in price fixing. In order to avoid possible price-fixing charges, businesses should not discuss any pricing issues with competitors. Variable pricing involves changing prices according to demand. Price lining is the practice of selling goods/services at a limited number of predetermined price points. Flexible pricing involves charging different customers different prices.

SOURCE: PI:017

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 19-5h]. Boston, MA: Cengage Learning, Inc.

79. B

Identify product opportunities. A product opportunity is a favorable circumstance that presents itself to provide a good or service that consumers are willing to buy. Attentive salespeople recognize product opportunities when their customers provide feedback about the business's products. For example, if several customers want something that the business doesn't have, the salesperson might be able to convince the business to produce or provide the product for these customers. By offering a new product that many customers want, the business can increase its sales and profits. Salespeople do not establish trends. Listening to customers' feedback does not always encourage a salesperson to reorganize his/her personal priorities. The purchasing department usually orders inventory for the business.

SOURCE: PM:134

SOURCE: University of Minnesota Libraries. (2016, April 8). *Where do product ideas come from?* Retrieved August 7, 2019, from <https://open.lib.umn.edu/exploringbusiness/chapter/10-2-where-do-product-ideas-come-from/>

80. C

Six Thinking Hats. Six Thinking Hats is a creative-thinking technique that involves categorizing and focusing on different aspects of a problem, issue, or situation. Each "hat" represents one aspect or way (i.e., facts, positives, negatives, emotions, new ideas, organization) of looking at the situation. Brainstorming involves identifying as many different ideas as possible during a set time frame. Mind mapping is a form of brainstorming that organizes ideas and information graphically using shapes, pictures, and words. Unconscious problem-solving involves relaxation and distraction from the product, situation, or issue.

SOURCE: PM:127

SOURCE: LAP-PM-127—Unleash Your Mind (Techniques for Generating Product Ideas)

81. A
Guarantee on goods. Clothing items are tangible goods rather than services. A guarantee is a promise made by the seller to the customer that the seller will refund the customer's purchase price, if the product does not perform as expected. Therefore, the clothing manufacturer is offering a guarantee on goods. A guarantee on a service would be a promise to refund the customer's money, if the person is not satisfied with an intangible item. A warranty is a promise made by the seller to the customer that the seller will repair or replace a product that does not perform as expected.
SOURCE: PM:020
SOURCE: LAP-PM-004—Promises, Promises (Warranties and Guarantees)
82. C
Narrow; broad. The health-food store has a narrow product mix and offers a limited number of product lines. Because it has fewer product lines, it is able to specialize effectively. The grocery store has a greater number of product lines, so its product mix is considered to be broad. Consistency refers to how closely a company's product lines are related, while depth refers to the assortment of sizes, colors, flavors, and models offered in a company's product lines.
SOURCE: PM:003
SOURCE: LAP-PM-003—Mix & Match (Nature of the Product Mix)
83. C
For one all-inclusive price. Product bundling involves combining several products and selling them for one all-inclusive price. Businesses often bundle products to encourage customers to buy products that they might not otherwise want to buy. The all-inclusive price of the bundled products is usually lower than the combined price of the products sold separately. The lower, all-inclusive price is an incentive to buy. Some bundled products may be sold only at certain times of the year, such as lawn care services; however, that is not a characteristic of product bundling. Product bundling does not involve selling at heavily discounted rates or selling the bundles as loss leaders to loyal customers.
SOURCE: PM:041
SOURCE: Leonard, K. (2018, October 23). *Product bundling strategy*. Retrieved August 7, 2019, from <http://smallbusiness.chron.com/product-bundling-strategy-41789.html>
84. A
Trade characters. The Keebler Elves, Ronald McDonald, and Mr. Peanut are examples of trade characters—brand marks that have been made to seem lifelike. Product brands are names, terms, symbols, or designs that identify products and distinguish them from competitors' products. Trade names are names that identify companies. Private brands are brands owned by intermediaries.
SOURCE: PM:021
SOURCE: LAP-PM-006—It's a Brand, Brand, Brand World! (Nature of Product Branding)
85. D
Customer voice. By listening to customer experiences and opinions through research and outreach, companies can better align their business activities to the needs of their market. In this example, Alcon Technology is using customer voice to improve its branding efforts—not internal feedback, employee insights, or company history.
SOURCE: PM:276
SOURCE: Minkara, O. (2015, March 30). *The voice of the customer in branding: A simple formula for success*. Retrieved August 19, 2019, from <https://www.aberdeen.com/cmo-essentials/the-voice-of-the-customer-in-branding-a-simple-formula-for-success/>

86. C

This will reinforce their promises to customers and build the brands. Articulating brand values is not enough; they must be acted upon. Customers must experience these values and brand qualities in every encounter with a business or product in order to feel loyalty and to contribute to building the brand's equity. There is no evidence that it is less expensive for a business to operate if everyone buys into the same thing. Incorporating brand values into operations may provide the nugget of an advertising idea, but this is not the reason for doing it; creating a satisfying "brand experience" for the customer is. There is no evidence that says that there will be less employee "resistance" with a standard brand philosophy; in fact, brand consistency throughout an organization's operations does provide clarity for employees in terms of what is expected of them in how they do their jobs. It can provide a rallying point for employees as well.

SOURCE: PM:206

SOURCE: Woodhead, P. (2018, July 16). *The importance of brand consistency*. Retrieved August 7, 2019, from <https://medium.com/pilcro/the-importance-of-brand-consistency-f4b5ee0a3abd>

87. B

Identity. Brand identity is the culmination of what a company wants to be—what it says about who it is. Strategy, culture, and communication all contribute to brand identity. Brand touchpoints are any instances in which the customers encounter the brand, such as a promotional message or a company website. Brand cues are messages that affect buying behavior in regard to a brand, such as a certain word that makes a customer think of a product. A brand promise is a commitment made by a brand to its customers about what it intends to deliver.

SOURCE: PM:207

SOURCE: Lim, S. (2019, April 25). *Brand identity*. Retrieved August 7, 2019, from <http://www.investopedia.com/terms/b/brand-identity.asp>

88. D

Healthy the cookies are for consumers. The fact that the cookies are "low fat" is their most important feature because it benefits the buyer's health. The package the cookies come in has no effect on the product's healthiness. The statement that the cookies taste good with milk may not satisfy the consumer's specific nutritional needs. Preparation time would not be a promotional factor but a production factor that does not interest consumers.

SOURCE: PR:001

SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

89. D

Limitations. Certain products have limitations, such as producing side effects in some people or being potentially hazardous. When businesses advertise these products, they are usually required to disclose the limitations so consumers can make an informed decision about whether to buy. Businesses that violate these regulations run the risk of being sued by consumers who were harmed by the products. Advertisements usually describe the benefits of the products and often contain endorsements. Advertisements often point out important features, especially if they are hidden.

SOURCE: PR:101

SOURCE: Arens, W.F., Weigold, M.F., & Arens, C. (2013). *Contemporary advertising and integrated marketing communications* (14th ed.) [pp. 87-88]. New York, NY: McGraw-Hill/Irwin.

90. C

Delivered to the smartphones of people interested in the product. All ads, regardless of their type, are the most successful when they are targeted at interested people. However, this is especially true with text-message advertising because it is illegal to send unsolicited commercial text messages. Advertisers must get permission to send text-messages to consumers; therefore, the consumers who receive these text-message ads must be interested since they opted in for the messages. Text-message advertising is done with a minimum number of characters. Otherwise, the messages will be too tedious for the recipient to read. Random, unsolicited smartphone ads are not much different from spam mail; they are intrusive and a hassle for customers to deal with. To be successful, text-message ads must contain the name of the business or product being advertised.

SOURCE: PR:007

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

91. B

Sharing. Viral marketing is a promotional tactic that involves sending or forwarding promotional messages over the Internet (e.g., email, social media websites, and blogs) to generate buzz about a brand, company, or product. Marketers often use humor, incentives, events, spoofs, videos, and other unusual techniques to spark conversations and encourage people to share their messages with others. It is important for marketers to prepare (stage) and manage the message content; however, staging, managing, and manipulating are not the primary goals of viral marketing.

SOURCE: PR:247

SOURCE: Berman, C. (2017). *The importance of viral marketing in launching a new product*. Retrieved August 7, 2019, from <http://smallbusiness.chron.com/importance-viral-marketing-launching-new-product-68291.html>

92. B

Often generates an immediate sale. An advantage to businesses of using direct-response marketing, such as catalogs and product samples that include cents-off coupons, is that it often generates an immediate sale. Consumers who receive mail catalogs that are targeted to their interests frequently respond by placing an order. Customers who receive samples and cents-off coupons often use the coupons to buy the products. Businesses benefit by increasing their sales volume. Direct-response marketing materials, such as catalogs, are usually expensive to produce. Therefore, businesses usually target their audiences in order to mail the expensive materials to the customers who are most likely to buy. Being convenient for customers is an advantage to the customers rather than to businesses.

SOURCE: PR:089

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 15-5a]. Boston, MA: Cengage Learning, Inc.

93. B

Provide information. A communication channel is a path or means used to provide information to others. Public relations activities are ways of providing information to others. For example, press conferences and press releases are ways of providing information to the media in the hopes that the media will publish or broadcast the information so it is available to the general public. However, there is no guarantee that the media will publish or broadcast the information. As a result, businesses use other techniques to market products, advertise an image, and target customers.

SOURCE: PR:250

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 17-5]. Boston, MA: Cengage Learning, Inc.

94. A

Local businesses, charitable organizations, and customers. The purpose of the public relations function is to establish goodwill between the business and its various publics or audiences. External audiences include local businesses, charitable organizations, customers, government agencies, and the community at large. Internal audiences include the company's employees, executive managers, and board of directors (if the company is a corporation).

SOURCE: PR:253

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 17-4]. Boston, MA: Cengage Learning, Inc.

95. B

Resale. Products that are sold to intermediaries such as wholesalers or retailers are sold for resale. Products sold to industrial users are used in the production of other goods. Goods sold for ultimate consumption will be used by the individual(s) who bought them.

SOURCE: SE:017

SOURCE: LAP-SE-117—Sell Away (The Nature and Scope of Selling)

96. C

Current customers. Salespeople often try to increase sales to current customers by providing quality service on a consistent basis. Current customers who are satisfied with the level of service often become lifetime customers and buy additional goods and services. Salespeople realize that it may be easier to sell more to current customers than to identify new customers. However, current customers probably will not buy more if they are not satisfied with the service. New prospects are potential customers—ones who might buy. First-time buyers are those who are buying from a salesperson for the first time and who do not yet know what type of service they will receive. Providing quality customer service on a consistent basis might increase sales to major corporations if those corporations are also current customers rather than new prospects or first-time buyers.

SOURCE: SE:076

SOURCE: LAP-SE-130—Go Beyond the Sale (Customer Service in Selling)

97. B

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

SOURCE: SE:108

SOURCE: Ingram, T.N., LaForge, R.W., Avila, R.A., Schwepker, Jr., C.H., & Williams, M.R. (2020). *SELL* (6th ed.) [p. 43]. Boston, MA: Cengage Learning, Inc.

98. D

Prospecting. Prospecting is the act of identifying any person or organization with the potential to buy a product and compiling that information in an organized manner for future use. This includes learning as much as possible about both the business and the individual(s) with whom the salesperson will be dealing. Asking in-depth questions during the selling process in order to sell the customer the product best suited to his/her needs is often referred to as probing. Closing in sales refers to the point in a sales presentation at which the customer makes a favorable buying decision. Bargaining is a negotiating process.

SOURCE: SE:048

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

99. A

Rational motives. Rational motives are reasons for buying that appeal to the sense of reason or judgment. When customers are basing their buying behavior on logic, they are using reason in an orderly way and considering the facts. Rational motives often involve making buying decisions based on saving money or saving time. When customers base their buying behavior on facts and logic, they are not being influenced by personal preferences, economic factors, or individual needs.

SOURCE: SE:359

SOURCE: Reference.com. (2019). *What are rational buying motives?* Retrieved August 7, 2019, from <https://www.reference.com/world-view/rational-buying-motives-c99baa03505ac39e>

100. D

Goals. Planning is deciding what will be done and how it will be accomplished. Managers begin the planning process by determining the goals and objectives they want the business to achieve. Then, they select the appropriate resources that will be needed to reach these goals. The planning function of management does not involve determining the business's sales, profits, or wants.

SOURCE: SM:001

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