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. Larry's Dairy wants to team up with Rookie Cookie to develop one new ice cream flavor. How should Larry's Dairy accomplish this?
   A. Create a partnership  
   B. Execute a joint venture  
   C. License Rookie Cookie name  
   D. Create a franchise under Rookie Cookie

2. Merchants that export fruits and vegetables to the country of Uzoo are required to pay a tax to the Uzoo government. This tax is known as a(n)
   A. domestic fee.  
   B. export tax.  
   C. restriction.  
   D. tariff.

3. Which of the following is an activity that must take place within a channel of distribution:
   A. Delivering products to customers' homes  
   B. Making payments to retailers  
   C. Promoting products  
   D. Preparing detailed marketing reports

4. Beth's Orchard sells fruit to Aaron's Fruit Warehouse, which then sells the fruit to a variety of local stores that sell to the final consumer. In this example, the fruit is following which channel of distribution?
   A. Producer to agent to consumer  
   B. Producer to wholesaler to retailer to consumer  
   C. Producer to agent to wholesaler to consumer  
   D. Producer to retailer to consumer

5. What statement is true about technology in relation to channel management?
   A. Because technology continues to evolve, vertical conflict among channel members is occurring less often.  
   B. Some businesses have the capacity to distribute most or all of their products through the Internet.  
   C. Technological advancements generally require businesses to increase the number of intermediaries they use.  
   D. Technology makes it more difficult to monitor the channel members' activities in most situations.

6. Which department would a marketing manager contact to make sure that enough product is on hand for an upcoming promotion?
   A. Shipping  
   B. Purchasing  
   C. Accounting  
   D. Customer Service

7. Which of the following is a criterion for evaluating the reliability of a source:
   A. Style  
   B. Length  
   C. Timeliness  
   D. Type of source

8. Sasha's science teacher is explaining lab directions to the class. They'll be performing a complicated experiment with many steps that will take about a week. The next day, Sasha tries to remember a step of the directions, but she can't. Which step of following oral directions should Sasha have followed?
   A. Acknowledge directions verbally or nonverbally.  
   B. Eliminate distractions.  
   C. Make eye contact.  
   D. Take notes.

9. Which of the following is most likely to be an example of passive listening:
   A. Carefully listening to a friend  
   B. Daydreaming during a lecture  
   C. Casually listening to a podcast  
   D. Paraphrasing a speaker's message

10. You're giving directions to a group of coworkers and you want to be sure they do exactly what you say. You should
    A. make the directions challenging.  
    B. raise your voice.  
    C. give directions in the proper order.  
    D. demonstrate the final steps of the directions.
11. Each day after history class, Marty lists the important historical events that he learned about according to the dates when they occurred. Marty is using the __________ method of organizing information.
   A. chronological order  C. comparison and contrast
   B. order of importance  D. geographical

12. Which of the following is an effective subject line for a professional email:
   A. FYI  C. Can I ask you a question?
   B. Hello!  D. Meeting Monday at noon

13. While attending a staff meeting and listening to a coworker present information on the legal use of copyrighted images, Darrell realizes some of the information may not be accurate. What should he do?
   A. Ask questions to clarify the information
   B. Explain that the information is incorrect
   C. Ask for permission to bring the company's attorney to the meeting
   D. Don't say anything because it would embarrass his coworker

14. Which of the following is an example of an employee using nonverbal communication effectively to reinforce his/her service orientation:
   A. Tristan answered his office telephone and said, "Blanton Industries. How can I help you?"
   B. When Mrs. Jones complained that her steak was not cooked the way she wanted it, Leah rolled her eyes.
   C. Molly nodded and maintained eye contact as Ms. West explained the problem with her computer.
   D. Paul crossed his arms and tapped his foot impatiently as Mr. Cook asked about a charge on his bank statement.

15. A taxi service competes with other taxi services, but it also competes with the local bus system. This second type of competition is known as __________ competition.
   A. friendly  C. unnecessary
   B. indirect  D. incomplete

16. Rashid's business always puts the customer first. All of the company's decisions are made to satisfy customer wants and needs. Rashid's company is using the __________ concept.
   A. customer  C. marketing
   B. utility  D. relative

17. If a business doesn't want to pay to set up operations overseas, it might choose to expand through
   A. joining a strategic alliance.  C. establishing a multinational firm.
   B. exporting to foreign countries.  D. creating a wholly owned subsidiary.

18. One of the leading computer manufacturers has decided to produce software cases of high quality and high price. Who will ultimately decide if the price is too high?
   A. Manufacturer  C. Competition
   B. Government  D. Consumers

19. Allen works in an ice-cream shop that makes fresh ice cream throughout the day, and he sells it to customers as they come in. Because Allen does both jobs, he has a limited amount of time to attend to customers as well as make the ice cream. His employer decides to hire another worker who will only make the ice cream, allowing Allen to work at the counter full time. In other words, Allen's employer has decided to employ specialization by
   A. day.  C. task.
   B. time.  D. seniority.

20. A society in which group ties are very loose is known as a(n)
   A. collectivist society.
   B. “feminine” society.
   C. individualist society.
   D. uncertainty-avoiding society.
21. Which of the following is a disadvantage of using email as a communication method for global business activities:
   A. Email is detrimental to the environment.
   B. Technological problems often stall conversation.
   C. Email is too friendly and personal for a business setting.
   D. It can be difficult to discern tone and meaning.

22. Which of the following is a potential impact of bribery and other corrupt practices on business:
   A. Loss of customer trust
   B. Greater efficiency
   C. Gained resources
   D. Decreased crime

23. When Anna witnessed her coworker Brenda bullying another coworker Sam at work, she calmly told Brenda that her behavior was inappropriate and that she should treat Sam with the common courtesy and respect that everyone deserves. In this situation, Anna was
   A. exhibiting cultural sensitivity.
   B. demonstrating integrity.
   C. exerting her authority.
   D. recognizing another person's contributions.

24. If you find yourself wanting to be the best at everything and struggling to accept your limits, you might be
   A. afraid of commitment.
   B. a perfectionist.
   C. disorganized.
   D. affected by technology.

25. Jane’s teacher wrote a note complimenting Jane on her report. This is an example of __________ feedback.
   A. negative
   B. internal
   C. oral
   D. external

26. One reason why it is often unethical for business employees to spread workplace gossip is because they are communicating
   A. illegal messages.
   B. positive feedback.
   C. harmful information.
   D. helpful solutions.

27. Classmates are able to communicate openly and honestly because they __________ each other.
   A. trust
   B. distrust
   C. like
   D. suspect

28. Liam is constantly stressed out at his job. If he isn’t careful, he may find himself facing
   A. productivity.
   B. burnout.
   C. physical activity.
   D. endorphins.

29. Trustworthiness is most closely related to __________ and __________.
   A. persistence; integrity
   B. fairness; responsibility
   C. altruism; patience
   D. honesty; transparency

30. Elise smiles brightly and says, "Martin, you are making incredible progress. I am very proud of your efforts—keep up the good work!" What characteristic of coaching is Elise demonstrating?
   A. Enthusiasm
   B. Humility
   C. Empathy
   D. Patience

31. School grading systems, work wages and bonuses, and sport-related awards are all examples of __________ systems.
   A. negative feedback
   B. instant gratification
   C. informal recognition
   D. formal recognition

32. Assessing the long-term value and impact of your actions on others can help you
   A. earn university scholarships.
   B. get into the college of your choice.
   C. avoid work tasks you don't like.
   D. make a positive change in the world.
33. When DeShawn’s teacher compliments his work on his group project, he’s sure to give credit to the other group members who helped. DeShawn is showing
   A. viability.  C. transparency.
   B. rule of law.  D. trust.

34. Jenna works long and irregular hours to accommodate her clients’ schedules. What characteristic of a good entrepreneur is Jenna exhibiting?
   A. Honesty  C. Initiative
   B. Flexibility  D. Integrity

35. Pedro received a check in the amount of $432.87 from the Tabor Corporation, a company in which he is a stockholder. This source of income is referred to as
   A. wages.  C. interest.
   B. dividends.  D. inheritance.

36. A person planning a budget for living on his/her own most likely needs to conduct research to calculate
   A. the interest his/her bank pays on savings.  C. his/her current income.
   B. the cost of his/her future expenses.  D. how much s/he has in savings.

37. Melissa writes checks to pay for her rent, utilities, and groceries, and she keeps a record of all these transactions in her check register. Keeping an accurate check register helps Melissa
   A. decide when to order new checks.
   B. determine when she needs to add funds to her savings account.
   C. understand the checking account's restrictions and fees.
   D. track the amount of money she has spent.

38. Kevin is reviewing his annual credit report. Ever since he misplaced an important tax document containing his Social Security number, he is especially cautious about protecting his identity. Which of the following is most likely to be a red flag for potential identity theft:
   A. Incorrect or outdated address and employer information
   B. “Soft” inquiries from the credit card companies that Kevin applied to
   C. Accounts in Kevin’s name that he doesn’t remember opening
   D. Negative information outside the credit reporting time limit

39. Amira is trying to choose a financial institution. She likes to do her banking in person, and she wants to make sure she selects an institution that’s customer friendly. She wants good interest rates and low fees, and she’d also prefer to invest with a not-for-profit institution. Amira should invest her money in a(n)
   A. Internet bank.  C. commercial bank.
   B. credit union.  D. investment bank.

40. When Samantha reviewed her company’s financial information, she noticed that the sales for the Java6 coffee maker decreased for three consecutive months. In this situation, the financial information helped Samantha
   A. make a pricing decision.  C. identify a trend.
   B. calculate liquidity ratios.  D. negotiate a contract.

41. Which of the following is a characteristic of an efficient accounting system:
   A. High-accessibility  C. Maintenance-free
   B. User-friendly  D. Results-oriented

42. Obtaining adequate documentation, interviewing all witnesses, and recommending appropriate consequences are all steps in a(n)
   A. ethics violation investigation.  C. employee promotion process.
   B. standard job interview.  D. office voting procedure.

43. Which of the following sources of data would be best for a marketer who is looking for trends and changes in his/her industry:
   A. Sales invoice  C. A competitor’s promotional campaign
   B. Trade journal  D. Public financial data
44. Which of the following Internet-based marketing research methods is most likely to raise an ethical issue regarding the users' right to privacy:
   A. Cookies  
   B. Scan portals  
   C. Browsers  
   D. Banner ads

45. Which of the following is most likely to have a marketing-research department:
   A. Small retail business  
   B. Leading manufacturer  
   C. Local charity  
   D. Successful politician

46. When a business obtains primary data by manipulating several variables within a controlled environment, it is:
   A. ensuring positive results.  
   B. conducting experimental research.  
   C. analyzing focus-group feedback.  
   D. making marketing decisions.

47. Which of the following sample designs draws data from the knowledge of experts:
   A. Judgment sampling  
   B. Referral sampling  
   C. Simple random sampling  
   D. Systematic random sampling

48. Which of the following is the best place to start looking for data about competitors:
   A. The company's internal records  
   B. The company's website  
   C. The company's call reports  
   D. The local newspaper

49. Which data-collection method usually takes place online?
   A. Observation  
   B. Tracking  
   C. Experiments  
   D. Personal interviews

50. How can ill-designed questionnaires affect survey participants?
   A. Can make them take their time to complete the survey  
   B. Can make them question the survey's purpose  
   C. Can decrease their desire to answer personal questions  
   D. Can decrease their response rate

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

52. Which of the following activities is an aspect of marketing a service:
   A. Advertising the state of Michigan on television  
   B. Finding out customers' favorite coffee flavors  
   C. Developing a new, improved cell phone  
   D. Determining how much to charge for a haircut

53. Which of the following would be most appropriate for mass marketing:
   A. Toothpaste  
   B. Diapers  
   C. Toy trucks  
   D. Winter coats

54. An important part of a company's overall business plan is the ________ plan.
   A. credit  
   B. marketing  
   C. emergency  
   D. training

55. In which of the following situations might a business decide to increase its sales forecast from $10 million to $12 million for the coming year:
   A. Inflation rate increases by 3%.  
   B. Demand for products is leveling off.  
   C. One major competitor leaves the market.  
   D. Population of market area decreases by 5%.
56. In an online journal article, Dr. Lydia Garrett wrote, "Dr. Sanderson has limited expertise in the area of biophysics, and I do not believe that he has conducted enough research to support his theory." This is an example of
   A. supporting evidence.  
   B. an opinion.  
   C. hearsay.  
   D. a fact.

57. Due to obsolescence, the format in which a business stores its information must often be
   A. archived.  
   B. updated.  
   C. processed.  
   D. summarized.

58. By searching the company's computer records, an employee obtained confidential information about a well-known client, which s/he discussed with a friend. Eventually, the information was leaked to the media, which embarrassed the client and the business. What action could the company have taken to prevent this unethical behavior?
   A. Use computer passwords to limit access to certain data
   B. Install anti-virus software to protect the computer network
   C. Provide clients with information-tracking capabilities
   D. Require the employee to submit his/her resignation

59. An author might send a notice of copyright infringement when a business
   A. reproduces an invention and sells it to the public.
   B. places a trade character in one of its publications.
   C. posts his/her written work on its website without permission.
   D. attempts to publicize a trade secret.

60. An expert system is a special kind of computer
   A. hardware.  
   B. telephony.  
   C. software.  
   D. database.

61. Maxton Mart is being pressured by its vendors to pay for inventory it purchased more than 30 days ago. However, Maxton Mart has not received its accounts receivable from customers. What business record has Maxton Mart failed to monitor successfully?
   A. Balance sheet  
   B. Income statement  
   C. Cash flow  
   D. Open to buy

62. Ted's Tater Chips is conducting market research to decide what new flavor of chips it wants to release next year. They receive the following data about the current taste preferences of a large test group:
   - 40% prefer spicy chips
   - 40% prefer sweet chips
   - 10% prefer sour chips
   - 10% prefer regular chips
Which flavor should Ted's Tater Chips introduce next year?
   A. Ted's Sour Chips  
   B. Ted's Lemon Vinegar Chips  
   C. Ted's Spicy Sweet Chips  
   D. Ted's Classic Tater Chips

63. Discouragement of time theft is one reason a company may
   A. monitor employee technology.  
   B. cut corners on safety precautions.  
   C. purchase lower quality materials.  
   D. hire an inventory manager.

64. Mandy sees that a fire has started in the business's warehouse. What should Mandy do to alert her coworkers that they should evacuate the building immediately?
   A. Use the fire extinguisher  
   B. Trigger the fire alarm  
   C. Call the fire department  
   D. Recite the escape route

65. Which of the following work tasks must always be completed in designated sequential order:
   A. Jack pulls stock, Mary packs the box, and Tim places the order on the truck.
   B. Heather checks email, Paul orders supplies, and Leah develops a stock list.
   C. Calvin conducts the research, Eva files the report, and Ben reads the instructions.
   D. Eve calls on customers, Ted writes the order, and Lily prepares the presentation.
66. Which section of a project plan should specify what is and isn't included in the project?
   A. Quality management plan  C. Communications management plan
   B. Risk management plan  D. Scope management plan

67. Project managers usually evaluate project results by
   A. developing complex diagrams.
   B. setting long-term goals for the project.
   C. conducting external data searches.
   D. comparing project standards with actual performance.

68. During the vendor-selection process, BWH Company asks potential vendors if they can process purchase requisitions so that the shipments arrive at the company's warehouse within five days. In this situation, BWH Company is most concerned with the
   A. shipping method.  C. pricing structure.

69. Operating costs that do not increase or decrease with changes in production are called __________ expenses.
   A. semi-variable  C. fixed
   B. mixed  D. variable

70. Allan frequently uses his work computer to check personal email, go on social media, and play games during work hours—even though his company has a policy against using work computers for personal entertainment. When employees like Allan violate technology agreements, it can lead to
   A. increased efficiency.  C. lost productivity.
   B. improved morale.  D. decreased procrastination.

71. Shawn usually makes decisions without seeking help from others. Shawn typically makes decisions with __________ input.
   A. moderate  C. maximum
   B. minimum  D. significant

72. Which of the following terms is often used to define creativity:
   A. An element  C. A phase
   B. A process  D. A setting

73. Which of the following would be a job responsibility of warehouse employees:
   A. Communicating with the media to create a positive company image
   B. Assisting customers with setting up accounts with the company
   C. Determining where to store goods between production and consumption
   D. Developing merchandise displays to attract customer attention

74. To take advantage of work-related networking opportunities, a businessperson might benefit by
   A. developing a creative résumé and cover letter.
   B. participating in an online social network.
   C. joining a professional organization.
   D. planning a meeting with a sales trainer.

75. Which of the following is an example of a rule that relates to use of property:
   A. Library computers may not be used for video streaming.
   B. A school prohibits bullying in the hallways.
   C. Employees must track their travel expenses.
   D. Soccer team members must wear shin guards.

76. Which of the following traits are necessary in all marketing careers:
   A. Teamwork and communication  C. Creativity and independence
   B. Math skills and graphic design  D. Persistence and math skills
77. What do both buyers and sellers want to receive when exchanging goods and services for a specific price?
   A. Credit  C. Profit
   B. Value  D. Prestige

78. Melissa is eager to visit a local department store after seeing an advertisement for a great deal on new mattresses. When she gets to the store, however, the salesperson explains that the on-sale model quickly sold out, and attempts to sell her a much more expensive mattress. This is an example of
   A. predatory pricing.  C. price discrimination.

79. If the test-marketing process yields positive results, the next step is
   A. product innovation.  C. prototype development.
   B. commercialization.  D. modification.

80. Satellite communications systems often impact the product/service management function by helping businesses
   A. order replacements.  C. use software.
   B. evaluate information.  D. track shipments.

81. John is graduating from college and needs to buy clothes suitable for the business world, but he doesn't know where to start. He recognizes that many of his friends also lack the knowledge of what they should buy. He thinks they could easily learn the ropes of creating business wardrobes if there was someplace he could go on the Internet. This product opportunity resulted from
   A. recognizing what is "cool."
   B. changing life circumstances.
   C. releasing new products.
   D. purchasing a product and needing a related item.

82. What is the advantage to a business of having its employees generate product ideas as a group?
   A. It is easier to develop and implement a product concept.
   B. More participants provide a variety of perspectives.
   C. Group members tend to reach consensus quickly.
   D. Screening activities can be distributed among several people.

83. The reason that businesses establish standards for their goods and services is to
   A. determine necessary inventory levels.  C. encourage customers to buy in bulk.
   B. provide uniform, consistent products.  D. improve their employees' productivity rates.

84. A full warranty promises a customer that a product that cannot be repaired in a reasonable amount of time will be
   A. rebuilt.  C. replaced.
   B. destroyed.  D. improved.

85. A benefit to the seller of bundling products is that doing so
   A. reduces product-quality problems.
   B. eliminates the need to comparison shop.
   C. often lowers the marketing costs.
   D. usually decreases product-placement activities.

86. Marketers can use the element of price to help with positioning by
   A. pricing products too high to make them seem like luxury items.
   B. allowing retailers to set prices.
   C. pricing products as low as possible.
   D. choosing a price the target market is willing to pay.
87. What is the central role of brand identity elements?
   A. They are the deciding factors in the success of the brand.
   B. They are displayed on employees' clothing.
   C. They work together to represent the brand.
   D. They influence consumers' feelings about a brand more than its values.

88. Face-to-face contact with clients is a characteristic of _________ promotion.
   A. personal  C. all
   B. formal  D. nonpersonal

89. A television commercial promoting a specific line of riding lawn mowers portrays a man cutting grass.
   This is an example of product promotion that
   A. reinforces stereotypes.  C. induces fear.
   B. exhibits poor taste.  D. uses subliminal messages.

90. Which of the following is an example of specialty advertising:
   A. A postcard announcing a special sale  C. Billboards
   B. Key rings bearing a company's name  D. Skywriting

91. Arnold is building a display to place in a high-traffic area of his store. Arnold is most likely creating a
   A. sales incentive display.  C. promotional product.
   B. trade show promotion.  D. point of purchase display.

92. The Crimpton Company purchased an advertisement in the local newspaper. When the advertisement
   was published, the company's slogan was not included. What part of the advertisement was missing?
   A. Message  C. Tag line
   B. Headline  D. Endorsement

93. A print advertisement's headline, graphics, signature, and copy should coordinate with one another so that the message
   A. creates uncertainty.  C. provides entertainment.
   B. conveys humor.  D. is clear.

94. Which of the following is an example of a public relations activity that involves communicating with an internal audience:
   A. Distributing a press release  C. Developing an employee newsletter
   B. Holding a weekly press conference  D. Making a donation to a charity

95. Mike feels that by doing his job as a salesperson effectively, he is benefiting the customer. This demonstrates Mike's belief in
   A. understanding ethical standards.  C. product knowledge.
   B. selling as a service.  D. communication skills.

96. Which of the following is an internal factor that might have an effect on a business's selling policies:
   A. Social issues  C. Research efforts
   B. Materials shortage  D. Customer wants

97. What is an advantage of using spreadsheet software programs to track and evaluate sales?
   A. Identifies potential customers  C. Quickly analyzes numerical data
   B. Easily generates purchase orders  D. Creates future sales contracts

98. Salespeople are often better able to answer customers' questions about the business's products if they regularly read
   A. economic reports.  C. company promotions.
   B. consumer magazines.  D. marketing textbooks.
99. Brandon is a new salesperson at a local car dealership. To be most successful at his job, what should Brandon do before attempting to make any sales?
   A. Establish relationships with his fellow salespeople
   B. Become an expert on the cars he will be selling
   C. Prospect and qualify leads for potential customers
   D. Spend a day shadowing a more experienced salesperson

100. Avery, who manages a silk-screening and embroidery business, has set a goal of increasing sales by 15% in the next six months. To reach his goal, he has increased the business's advertising budget. This is an example of the __________ function of management.
   A. organizing  C. planning
   B. directing  D. controlling
1. **B**
   Execute a joint venture. A joint venture is an arrangement that involves two or more businesses entering into a relationship by combining complementary resources such as technology, skills, capital, or distribution channels for the benefit of all parties. The relationship is usually short term and involves the execution of a single project or transaction. A partnership is a form of business ownership in which the business is owned by two or more persons. Licensing is a business structure that requires the authorization or permission of an owner for another entity to use trademarked, copyrighted, or patented material for a specific activity, during a specific time period, for the profit of both parties. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods or services.
   
   **SOURCE:** BL:003 Explain types of business ownership
   **SOURCE:** LAP-BL-001—Own It Your Way (Types of Business Ownership)

2. **D**
   Tariff. Tariffs are taxes on imported goods. When an imported product enters a country that requires a tariff, the merchant will pay a certain percentage of the product's value directly to the government. Many countries collect tariffs on imported products to protect domestic manufacturers. Tariffs, or import taxes, are not called export taxes, restrictions, or domestic fees.
   
   **SOURCE:** BL:145 Explain the nature of import/export law

3. **C**
   Promoting products. Every channel of distribution promotes products, even if it's as simple as a direct distributor of babysitting services putting up fliers in the local ice cream shop. Channel members generally do not need to make any payments to retailers, as retailers are usually the last intermediary in the channel. Not all products need to be delivered to customers’ homes. Not all channels of distribution require detailed marketing reports; sometimes, providing marketing information can be as easy as just talking or sending a quick email.
   
   **SOURCE:** CM:001 Explain the nature and scope of channel management
   **SOURCE:** LAP-CM-002—Chart Your Channels (Channel Management)

4. **B**
   Producer to wholesaler to retailer to consumer. In this situation, the producer sells to Aaron's (wholesaler) which sells to a variety of local stores (retailers) that sell to the final consumer. In producer to agent to consumer, there is no agent involved and the local retailers are left out. In producer to agent to wholesaler to consumer, there is no agent, and the local retailers have been left out. In producer to retailer to consumer, Aaron’s Fruit Warehouse has been left out.
   
   **SOURCE:** CM:003 Explain the nature of channels of distribution
   **SOURCE:** LAP-CM-003—Channel It (Channels of Distribution)

5. **B**
   Some businesses have the capacity to distribute most or all of their products through the Internet. Some businesses provide pure services that do not require the use of intermediaries. For example, it is possible for business consultants or freelance copyrighters to deliver their services directly to the end users through their websites. Many financial services, such as bank loans and stock trades, can be completed online without the use of intermediaries. Because some businesses are bypassing intermediaries and selling products directly to the end users through their websites, vertical conflict among channel members continues to be a problem. When businesses decide to sell directly to consumers, the number of intermediaries they use is reduced. In many ways, technological advancements make the distribution process more efficient. For example, extranets make it easier for channel leaders to monitor channel activities and for channel members to communicate with one another.
   
   **SOURCE:** CM:004 Describe the use of technology in the channel management function
6. B  
Purchasing. A company's purchasing department negotiates pricing and orders products from suppliers to service customers and keep the operation going. A promotion might require an additional product for a specific time. Therefore, the marketing manager needs to advise the purchasing department to order additional items for the promotion. The shipping department coordinates the movement of materials from the warehouse to the transportation channels. An accounting department is responsible for the company's financial matters. The customer service department troubleshoots issues, such as placing orders or handling returns, between the company and the customer.  
SOURCE: CM:007 Coordinate channel management with other marketing activities  

7. C  
Timeliness. For certain types of information, it is crucial for the source to be up to date because data are always changing. Length and style are not necessarily indicators of reliability, though depending on the type of source, they may be important. The type of source does not always indicate reliability; many different types of sources are reliable.  
SOURCE: CO:054 Identify sources that provide relevant, valid written material  

8. D  
Take notes. If a speaker is giving you multiple directions at one time, it may be useful to take notes. That way, as you complete your project, you can look back on them. If Sasha had taken notes in her situation, she'd know what to do next in her experiment. Eliminating distractions, making eye contact, and acknowledging directions are all important steps when it comes to following directions, but they are not steps that would help Sasha in this situation.  
SOURCE: CO:119 Follow oral directions  
SOURCE: Xdesign. (n.d.). *5 steps to giving and following instructions in the workplace.* Retrieved July 13, 2020, from https://thinkx.net/blog/5-steps-to-giving-and-following-instructions-in-the-workplace

9. C  
Casually listening to a podcast. Passive listening occurs when a person listens without giving his/her full attention, such as casually listening to a podcast. Daydreaming during a lecture is an example of distracted listening. Carefully listening to a friend and paraphrasing a speaker's message are both elements of active listening.  
SOURCE: CO:017 Demonstrate active listening skills  
SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)

10. C  
Give directions in the proper order. It's much easier for your listeners to follow along if you give directions in the order in which they should be completed. Raising your voice isn't necessary when giving directions; in fact, it may intimidate your listeners. Your directions should not be challenging, even if the task itself is challenging. If you choose to demonstrate how to complete the directions, you should show how to do each step, not just the final ones.  
SOURCE: CO:083 Give verbal directions  
11. **A**

  Chronological order. There are several methods of organizing information, including chronological order, order of importance, comparison and contrast, and geographical organization. Chronological order involves listing information in a sequence of dates or time frames, like Marty did in this example. Order of importance involves organizing data around the significance of the information. The comparison and contrast method involves organizing information according to its similarities and differences. Geographical organization involves organizing information according to the location it is associated with.

  **SOURCE:** CO:086 Organize information

12. **D**

  Meeting Monday at noon. It's important to write an email subject line that accurately and specifically describes what is in the email. If you use a vague subject, like "Hello!" "Can I ask you a question?" or "FYI," your recipient might not even open the email. An email subject should summarize the main point of your email.

  **SOURCE:** CO:090 Write professional emails

13. **A**

  Ask questions to clarify the information. It is better to ask a question to clarify information than to point out that someone is wrong. Besides, Darrell may not be aware of recent changes in copyright law. Inviting another person to a meeting to prove his point would be considered rude, and others might doubt his ability to trust their judgment or support them in the future. It's important to avoid embarrassing coworkers, but if Darrell has valid concerns, politely sharing them is the best course of action.

  **SOURCE:** CO:063 Participate in a staff meeting

14. **C**

  Molly nodded and maintained eye contact as Ms. West explained the problem with her computer. Having a service orientation involves expressing a positive, helpful attitude with the business's customers. Employees' gestures and facial expressions convey their attitudes, which customers often believe is a reflection of the business's attitudes. Because Molly nodded and maintained eye contact with Ms. West while she was explaining a computer problem, Molly was indicating that she was listening and willing to help her customer. Employees are not exhibiting a service orientation by behaving rudely, which may include rolling their eyes, crossing their arms, and being impatient with customers. Tristan was demonstrating a service orientation through his verbal rather than his nonverbal communication.

  **SOURCE:** CR:005 Reinforce service orientation through communication

15. **B**

  Indirect. A taxi service and a bus service compete with each other indirectly. They are not the same type of product, but they still strive to win scarce customer dollars. Understanding competition—both direct and indirect—is an important step in identifying and carrying out brand promise. Indirect competition is not referred to as friendly, unnecessary, or incomplete.

  **SOURCE:** CR:001 Identify company's brand promise
  **SOURCE:** LAP-CR-006—Share the Promise (Identifying Brand Promise)

16. **C**

  Marketing. The marketing concept is a philosophy of conducting business that is based on the belief that all business activities should be aimed toward satisfying consumer wants and needs while achieving company goals. While utility and the marketing concept go hand in hand, the utility concept is not a term commonly used to refer to the marketing concept. The marketing concept is also not typically referred to as the customer concept or the relative concept.

  **SOURCE:** EC:004 Determine economic utilities created by business activities
  **SOURCE:** LAP-EC-013—Use It (Economic Utility)
17. B
Exporting to foreign countries. If a business doesn't want to pay to set up operations overseas, it might choose to expand through exporting. With exporting, a business simply ships its products to other countries. Joining a strategic alliance, establishing a multinational firm, and creating a wholly owned subsidiary are all options that require the time, effort, and money of setting up overseas operations.
SOURCE: EC:104 Discuss the global environment in which businesses operate
SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

18. D
Consumers. Each time consumers make a purchase they cast their economic vote, and these votes enable consumers to control what will be produced. The government has limited power and should only step in to protect citizens. The competition would be the other manufacturers that sell the same or similar products. The manufacturer would only determine what is to be produced.
SOURCE: EC:009 Explain the concept of private enterprise
SOURCE: LAP-EC-015—People Power (The Private Enterprise System)

19. C
Task. Allen is only working at the counter. Because he works at the counter all the time and does not trade shifts with the new worker, he is not specializing by time or day. Seniority in this case has little to do with specialization because Allen's specific task was decided by the employer.
SOURCE: EC:014 Analyze impact of specialization/division of labor on productivity
SOURCE: LAP-EC-007—Divide and Conquer (Specialization and Division of Labor)

20. C
Individualist society. A society in which group ties are very loose is known as an individualist society, according to Hofstede's dimensions of national cultures. A collectivist society is integrated into strong groups. An uncertainty-avoiding society is known for liking rules and structure. A “feminine” society values the qualities of caring, quality of life, etc.
SOURCE: EC:045 Discuss the impact of cultural and social environments on global trade
SOURCE: LAP-EC-045—On Top of the World (Impact of Culture on Global Trade)

21. D
It can be difficult to discern tone and meaning. Because email is written with abbreviations, short descriptions, and is often written quickly, meaning and tone can be misunderstood. Someone can easily misinterpret your email, which can create conflict that would not occur in an in-person conversation. Technological problems that stall conversation are not necessarily an issue with email because it is not generally an instantaneous conversation. This issue is more of a problem with video conferencing or webcasts. Email is not too friendly and personal; rather, it can be impersonal. Email is not detrimental to the environment; rather, it is better for the environment than paper communications.
SOURCE: EC:111 Describe the impact of electronic communication tools (e.g., Internet, video- and computer-conferencing, webcasts, email) on global business activities

22. A
Loss of customer trust. If news gets out that a company has been engaging in corrupt business practices, the company can suffer from the loss of customer and public trust. Customers generally do not support corruption in business and will refuse to buy from a business that engages in bribery or other fraudulent practices. Other potential results of corruption include decreased business efficiency, loss of resources, and an increase in black market crime and other types of organized fraud. Companies that engage in corrupt business activities generally do not enjoy greater efficiency or increased resources.
SOURCE: EC:140 Discuss the impact of bribery and foreign monetary payments on business
23. B
Demonstrating integrity. A person with integrity adheres to an established set of personal ethics and sound moral principles. The foundation of Anna's personal ethics is the "golden" rule—treat others the way that you expect to be treated. When Anna saw a coworker bullying another coworker, Anna demonstrated integrity by calmly reminding the bully (Brenda) about the "golden" rule. In this situation, Anna did not exhibit cultural sensitivity or recognize another person's contributions. Because the situation involves three coworkers, Anna does not have workplace authority over Brenda and Sam.
SOURCE: EI:022 Demonstrate honesty and integrity

24. B
A perfectionist. Perfectionists are people who refuse to accept any standard short of perfection. They want to excel at everything and reach all of their goals. If you find yourself wanting to be the best at everything and struggling to accept that you have limits, you might be a perfectionist and struggle with overcommitment. There is no indication that you might be afraid of commitment, disorganized, or affected by technology.
SOURCE: EI:077 Manage commitments in a timely manner
SOURCE: LAP-EI-077—Commit to It! (Managing Commitments in a Timely Manner)

25. D
External. External feedback is feedback that comes from sources outside yourself. These sources include friends, classmates, family, teachers, counselors, principal, employer, etc. Internal feedback comes from within yourself. A compliment is a form of positive feedback, not negative. Since the compliment was in the form of a written note, it was not oral, or spoken.
SOURCE: EI:003 Explain the use of feedback for personal growth
SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)

26. C
Harmful information. Workplace gossip is often spread through the grapevine, which is an oral communication method in which information is passed around the company but not formally announced or verified. An ethical problem with spreading gossip is that it is often incorrect and becomes exaggerated and distorted as more and more employees communicate the information. This information may be harmful if it reports rumors that are unfounded, such as warning of impending layoffs when none are planned. Workplace gossip usually does not communicate positive feedback, helpful solutions, or illegal messages.
SOURCE: EI:038 Explain ethical considerations in providing information

27. A
Trust. Trust is the belief that someone or something is reliable. It's nearly impossible to build trusting relationships without open and honest communication. People will trust you if you're open and honest, and those people will be more likely to communicate openly and honestly as well. Being transparent is the first step toward building trusting relationships. Classmates are not more likely to communicate openly and honestly if they distrust or suspect each other. Classmates do not necessarily have to like each other to communicate openly and honestly.
SOURCE: EI:129 Foster open, honest communication
SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

28. B
Burnout. Burnout is a type of exhaustion that is usually caused by too much stress. Someone who is constantly stressed, like Liam, may end up facing burnout. Productivity is usually reduced when someone is burned out. Physical activity is a way to produce endorphins, which make a person happier and calmer.
SOURCE: EI:028 Explain the nature of stress management
SOURCE: LAP-EI-028—Keep Your Cool (Stress Management)
29. D
Honesty; transparency. Trustworthiness is reliability. It is the quality of deserving others' confidence. Ethical leaders gain trust through honest behavior. Honesty is closely linked with transparency. Transparency is the quality of being just as one seems. It means being open and truthful when communicating. Trustworthiness is not related to fairness, responsibility, altruism, patience, or persistence. Trustworthiness is somewhat related to integrity, but not as directly as with honesty and transparency.
SOURCE: EI:131 Explain the nature of ethical leadership
SOURCE: LAP-EI-131—Be the Change (Nature of Ethical Leadership)

30. A
Enthusiasm. Coaching is the process of helping others reach their full potential and overcome the barriers that are keeping them from doing so. Effective coaching involves exhibiting certain qualities and characteristics, including enthusiasm. When coaches show their own excitement and interest in helping them, their protégés are more likely to be motivated to make changes and improvements to reach their goals. Empathy is the ability to put yourself in another person's place. Humility is a lack of pride. Patience is the ability to endure life's aggravations and difficulties calmly. Although these are also important traits for effective coaches to have, Elise is not demonstrating those particular traits in the example.
SOURCE: EI:041 Coach others
SOURCE: LAP-EI-041—Bring Out the Best (Coach Others)

31. D
Formal recognition. Formal recognition systems are planned, well-thought-out systems such as school grades, work wages and bonuses, or sports awards. Informal recognition is praise that is offered outside of formal systems, such as a positive comment from a supervisor or a pat on the back from a coach. School grading systems, work wages and bonuses, and sport-related awards are not examples of informal recognition. They are also not examples of instant gratification systems or negative feedback systems.
SOURCE: EI:014 Recognize/Reward others for their efforts and contributions
SOURCE: LAP-EI-141—Gimme Five! (Recognizing/Rewarding Others)

32. D
Make a positive change in the world. Assessing the long-term value and impact of your actions on others can help you make a positive change in the world around you. It won't necessarily help you get into the college of your choice, avoid work tasks you don't like, or earn scholarships.
SOURCE: EI:137 Assess long-term value and impact of actions on others
SOURCE: LAP-EI-137—Choose for the Future (Assessing the Long-Term Value and Impact of Actions on Others)

33. C
Transparency. Transparency means being truthful when you communicate. This is more than just avoiding lies (although that’s important, too!). It also involves speaking up about your feelings and communicating openly, even when it’s difficult. Transparency means not spinning your accomplishments to be something they’re not. DeShawn is being transparent by not taking all the credit for his group’s work. This is not an example of rule of law, viability, or trust.
SOURCE: EI:123 Describe the nature of ethics
SOURCE: LAP-EI-123—Rules To Live By (Nature of Ethics)

34. B
Flexibility. Entrepreneurs must be flexible and adaptable in order for their business or project to succeed. By shaping her own schedule around the needs of her clients, Jenna is showing that she is flexible and customer-oriented. Honesty, initiative, and integrity are all characteristics of good entrepreneurs; however, Jenna is not exhibiting them in this situation.
SOURCE: EN:040 Explain the role requirements of entrepreneurs and owners
35. B
Dividends. Individuals and businesses acquire income in many ways. Dividends are earnings that are paid to investors or stockholders for their investments. When Pedro purchased shares of Tabor stock, he became an owner of the company. As an owner of the company, Pedro has the opportunity to earn a percentage of the company's profits, which are paid to him in the form of dividends. Wages are the income that workers earn for the work that they perform. Interest is the reward or cost of lending or borrowing money, usually figured as a percentage of the amount borrowed. An inheritance is the assets (e.g., property, goods, money) that a person leaves to others upon his/her death.
SOURCE: FI:061 Describe sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.)

36. B
The cost of his/her future expenses. When planning a budget for living on his/her own, a person most likely will need to conduct research for the cost of his/her future expenses because they have not occurred yet. A person usually knows her/his current income and how much s/he has in savings. S/He is not likely to consider his/her savings or the interest paid on savings when determining a budget.
SOURCE: FI:065 Set financial goals

37. D
Track the amount of money she has spent. A check is a negotiable instrument or bank draft made payable to a specific party for a specific amount of money. A check serves as a written promise to the check bearer that money is available in the issuer's bank account. Checks are a common form of financial exchange. Both individuals and businesses use checks to pay for goods and services such as rent, utilities, food, and supplies. When writing a check, an individual or business keeps a check register that records information about the transaction. This information includes the date the check is written, to whom the check is made payable, the amount of the check, and the check number. The register is a central location to record and track all of the checks written and the amount of money spent. Check registers do not help the check issuers determine when to add funds to a savings account, understand the checking account's restrictions and fees, or decide when to order new checks.
SOURCE: FI:069 Maintain financial records

38. C
Accounts in Kevin's name that he doesn't remember opening. Your credit report contains a section where all accounts in your name are listed. It's important to review these accounts on a regular basis to ensure that they are authentic. Accounts in your name that you don't remember opening are a major red flag for identity theft. “Soft” inquiries are not signs of identity theft as long as you can attribute them to sources that you recognize. Incorrect or outdated address and employer information is not usually a sign of suspicious activity, either. Usually, incorrect information simply means you need to update your personal details with your credit lenders. Similarly, negative information outside the credit reporting time limit does not usually indicate suspicious behavior; it simply means that you need to follow up with your credit lenders or the credit reporting agency.
SOURCE: FI:073 Protect against identity theft
39. B
Credit union. Amira would likely be happy banking with a credit union. Credit unions are not-for-profit financial institutions that are owned by their members. Because of this, they have the customers’ best interests at heart. They also usually have better interest rates and lower fees than some other types of financial institutions. If Amira enjoys doing her banking in person, an Internet bank would likely be a bad choice for her. Internet banks do all of their transactions online. Amira also wouldn't be happy with a commercial bank. Although commercial banks offer a wide array of services, they do not always offer good interest rates. Investment banks don't accept deposits, so they wouldn't be a good choice for Amira. Instead of dealing with the general public, investment banks typically work with businesses.
SOURCE: FI:075 Describe types of financial-services providers

40. C
Identify a trend. One reason that businesses analyze financial information is to identify trends. In the example, the company's sales for a certain product have decreased over time, which indicates a problem. With this information, the company can take steps to determine the reason for the sales decline so it can take corrective action. For example, the business might survey customers and ask them about their experiences with the product. If the customers say that the product is inferior or defective, the business might decide to drop the item from its product line. The financial information did not help Samantha calculate liquidity ratios, make a pricing decision, or negotiate a contract.
SOURCE: FI:579 Describe the need for financial information
SOURCE: LAP-FI-579—By the Numbers (The Need for Financial Information)

41. B
User-friendly. An accounting system is the methods and procedures that a business uses in handling its financial information. An efficient accounting system allows the business to retrieve the information it needs quickly and easily. Because most companies use computer-based accounting systems to help them store, track, and retrieve important financial data, it is important for the accounting system's software to be user-friendly, easy to use, and easy to operate. Most companies do not want a lot of people to have access to their financial data, so it is important to keep it secure and accessible for those who need and use the information. Accounting systems require some type of maintenance because people must continuously update the information. Accounting systems do not produce results for the business—they simply store information in an organized way.
SOURCE: FI:085 Explain the concept of accounting
SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

42. A
Ethics violation investigation. Obtaining adequate documentation, interviewing all witnesses, and recommending appropriate consequences are all steps that human resources managers take during an ethics violation investigation. These steps are not involved in job interviews, employee promotion processes, or office voting procedures.
SOURCE: HR:411 Explain the role of ethics in human resources management
SOURCE: LAP-HR-411—Moral Mediators (Ethics in Human Resources Management)

43. B
Trade journal. A trade journal is an industry-specific publication that keeps readers up to date on what is happening in the field. If a marketer wants to know about trends and changes in his/her industry, a trade journal would be a useful source of data. A sales invoice is a valuable source of data for customer information. A competitor's promotional campaign is beneficial when gathering data about the competition's strategy. Finally, public financial data can inform marketers about competitors.
SOURCE: IM:012 Describe the need for marketing data
SOURCE: LAP-IM-012—Data Do It (Need for Marketing Data)
44. A
Cookies. Cookies are text files that are put on a website visitor's hard drive and then later retrieved during subsequent visits to the site in order to track shopping and buying behavior. As a result, Internet users often feel that their right to privacy is compromised. Portals are sites that are popular starting points for surfing the Web. Scan portal is not a term that is widely used to describe activities and concepts related to the Internet. A browser is the software that is needed for surfing the Internet. Banner ads are promotional messages that appear on a web page, usually at the top of the page.
SOURCE: IM:025 Explain the role of ethics in marketing-information management
SOURCE: LAP-IM-025—Info With Integrity (Ethics in Marketing-Information Management)

45. B
Leading manufacturer. More than 85% of the country's leading manufacturers have marketing-research departments. Businesses of all sizes can hire the services of outside market researchers, but large businesses often have their own marketing-research departments. Local charities, small retail businesses, and political candidates would conduct their own research or hire an outside researcher.
SOURCE: IM:010 Explain the nature of marketing research
SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

46. B
Conducting experimental research. Primary data are facts that a researcher collects for the problem or project at hand. When a business obtains first-hand information by changing several variables in a controlled environment, it is experimental research. Scientific and engineering businesses often conduct experimental research to resolve problems or invent products, although the businesses cannot ensure positive results each time. Focus groups are sources of primary information, but analyzing the feedback does not always involve manipulating variables. Businesses do not make marketing decisions by manipulating variables within a controlled environment, although they make marketing decisions based on information or results the research provides.
SOURCE: IM:281 Describe options businesses use to obtain marketing research data (i.e., primary and secondary research)
SOURCE: LAP-IM-281—What's the Source? (Obtaining Marketing-Research Data)

47. A
Judgment sampling. Judgment sampling, also known as expert sampling or purposive sampling, is a non-probability sampling method in which researchers handpick respondents based on their knowledge or expertise. Referral sampling, another name for snowball sampling, is a non-probability sampling method in which researchers ask respondents to help them identify and recruit additional respondents for the study. Simple random sampling is a probability sampling method in which every sampling unit has a known and equal chance of being selected. Systematic random sampling is a probability sampling method in which researchers place sampling units into a random list and draw a sample using a skip interval.
SOURCE: IM:285 Discuss the nature of sampling plans (i.e., who, how many, how chosen)
SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)

48. B
The company's website. Finding data about competitors can be difficult. The best place to start looking is usually the "Investors" section of the company's website. You would not have access to the company's internal records or call reports. You may or may not find useful data in the local newspaper.
SOURCE: IM:184 Identify data monitored for marketing decision making
SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)

49. B
Tracking. Tracking is a data-collection method that usually takes place online (website hits, cookies, product orders, etc.). Observation is watching people go about their activities in a natural setting. Experiments involve manipulating one variable to gauge the effect on another variable—it can sometimes take place online, but not usually. Personal interviews take place in person.
SOURCE: IM:289 Describe data-collection methods (e.g., observations, mail, diaries, telephone, Internet, discussion groups, interviews, scanners, tracking tools)
SOURCE: LAP-IM-017—Hunting and Gathering (Data-Collection Methods)
50. D
Can decrease their response rate. Ill-designed questionnaires negatively affect the quality and quantity of
data obtained from survey participants. This lowers their response rate because they may think the
survey is too complex, too time-consuming, or too confusing. Survey design is unlikely to make
participants question the survey's purpose, decrease their desire to answer personal questions, or make
them take their time to complete the survey.
SOURCE: IM:418 Explain characteristics of effective data-collection instruments

51. B
Coding. Coding is the process of assigning a numeric value to the various responses on a marketing
questionnaire or survey. Some questionnaires contain built-in codes, such as when the respondent is
asked to rate agreement with a question on a scale of 1 to 5. The numbers from 1 to 5 are the numeric
codes. For other types of questionnaires, researchers often establish a master code. For example, there
are six possible responses to a certain question and the third answer has a numeric value of 3, but that
number is not printed on the questionnaire. Tabulating the responses occurs after the surveys are
completed. Sorting and marking do not assign numeric values to each response on a marketing
questionnaire.
SOURCE: IM:062 Explain techniques for processing marketing data
https://libguides.library.kent.edu/qualtrics/howto/coding

52. D
Determining how much to charge for a haircut. While finding out about customers, offering a new,
improved product, and advertising on television are all forms of marketing, only determining how much to
charge for a haircut is an aspect of marketing a service. A service is an intangible activity that is
performed by someone else for money. A haircut is a service. Cell phones and coffee are goods, and the
state of Michigan is a place.
SOURCE: MK:001 Explain marketing and its importance in a global economy
SOURCE: LAP-MK-004—Have It Your Way! (Nature of Marketing)

53. A
Toothpaste. Mass marketing is designing products and directing marketing activities in order to appeal to
the whole market. Of the items listed, toothpaste is the most likely to be marketed in this manner because
it appeals to and is used by many types of consumers. The market for diapers would be limited to those
with babies and toddlers. The market for toy trucks would be limited to children and teens. The market for
winter coats would be limited to individuals who live and work in cold climates.
SOURCE: MP:003 Explain the concept of market and market identification
SOURCE: LAP-MP-003—Have We Met? (Market Identification)

54. B
Marketing. A marketing plan is a set of procedures or strategies for attracting the target customer to a
business. The marketing plan is one part of the overall business plan that identifies the nature of the
company, how it will operate, and what its goals and objectives are. The purpose of the marketing plan is
to identify how the business will achieve its goals. A business plan usually does not include a credit plan,
an emergency plan, or a training plan. However, these are plans that may be developed by a business
depending on the type of business and its needs.
SOURCE: MP:007 Explain the nature of marketing plans
SOURCE: LAP-MP-007—A Winning Plan (Nature of Marketing Plans)
55. C
One major competitor leaves the market. External changes take place that have an effect on a business's sales forecast. These changes may cause the business's sales to increase or decrease. Sales forecasts need to be adjusted when competitors leave the market because a business can expect its sales to rise as major competitors leave. Businesses usually decrease their sales forecasts for the coming year if the population of their market area decreases, the inflation rate increases, and demand for their products begins to level off.
SOURCE: MP:013 Explain the nature of sales forecasts

56. B
An opinion. It is important to separate opinion from fact when analyzing information. An opinion is a person's point of view or belief. In the example, the author (Dr. Garrett) is expressing her opinion about another individual's (Dr. Sanderson) research. The author does not provide specific facts or data to support her opinion. Facts contain true data or information. Hearsay is gossip or rumor.
SOURCE: NF:077 Assess information needs

57. B
Updated. Obsolescence occurs when something is outdated. Technology is always evolving, so computer systems and applications are always subject to obsolescence. Businesses must update the ways in which they store or archive their information because the format may not be usable in the future. For example, modern computers do not have outlets that read floppy disks, which were popular external storage devices several years ago. The way people summarize or process information is not related to the state of obsolescence.
SOURCE: NF:081 Store information for future use

58. A
Use computer passwords to limit access to certain data. Businesses have the responsibility to protect their customers' confidential information. One way to protect confidential information is to limit the access to employees who need or use the information. Requiring qualified employees to use computer passwords to access the confidential information can reduce the risk of unethical behavior—such as snooping or spying. Anti-virus software, client-tracking capabilities, and a resignation request would not prevent the employee from obtaining the information. The business would likely reprimand or fire the employee for his/her unethical behavior after the incident occurred.
SOURCE: NF:111 Explain the role of ethics in information management
59. C
Posts his/her written work on its website without permission. A copyright provides legal protection of
books and other artistic works and gives their creators sole rights to them for a certain period of time.
Copyright infringement occurs when an entity violates the rights of the person who owns a copyright. For
example, if a business posts an article on its website without getting the author's permission, the
business has violated copyright law. In this situation, the copyright owner (the author) can send a notice
of copyright infringement to request that the article be removed from the website. If the business does not
comply, the copyright owner may decide to file a lawsuit against the business. Inventions are legally
protected by patents. Recipes, production processes, and customer lists are examples of things that are
protected by trade-secret laws. Trademarks provide legal protection for entities that own trade characters
(e.g., Kellogg's Tony the Tiger).
SOURCE: NF:076 Explain legal issues associated with information management
https://www.copyright.gov/help/faq/faq-definitions.html

60. C
Software. An expert system is a special kind of computer system that is designed to mimic the knowledge
of a human expert. It is not related to Internet telephony, nor is it hardware or a database.
SOURCE: NF:003 Identify ways that technology impacts business
SOURCE: LAP-NF-004—TECH-Tastic (Technology's Impact on Business)

61. C
Cash flow. By monitoring its cash flow statement, Maxton Mart knows when it is running short on cash
and can take needed steps to alleviate upcoming cash shortages. If necessary, Maxton Mart should be
prepared to take out a short-term loan to cover inventory costs. The income statement provides a picture
of a business's profit or loss conditions. The balance sheet shows a snapshot of the business's assets,
liabilities, and owner's equity. Open-to-buy documents indicate how much money the business has to
invest in additional inventory.
SOURCE: NF:014 Monitor internal records for business information

62. C
Ted's Spicy Sweet Chips. The results of the market research show that the tested group prefers sweet
and/or spicy chips, like Ted's Spicy Sweet Chips. Lemon vinegar, sour, and classic tater chips wouldn't
appeal to the majority of the test group.
SOURCE: NF:216 Translate research findings into actionable business recommendations

63. A
Monitor employee technology. Discouragement of time theft (loss of productivity that occurs when
employees spend time on personal matters instead of job tasks) is one reason a company may monitor
employee technology. It would not be reasonable to combat time theft by cutting corners on safety
precautions, purchasing lower quality materials, or hiring an inventory manager.
SOURCE: OP:190 Discuss the role of ethics in operations
SOURCE: LAP-OP-190—Above Board (Ethics in Operations)
64. B
Trigger the fire alarm. A fire is an example of an emergency situation that employees should be prepared to handle. One of the first procedures to follow if a fire is detected in the facility is to evacuate the premises to protect the safety of employees and customers. To alert coworkers about a fire, Mandy should trigger the fire alarm. The sound of the alarm will indicate that individuals should evacuate the premises. Using a fire extinguisher may help put out or contain the fire, but it does not alert others about the fire. The fire department should be called after employees are alerted about the fire. Reciting the escape route will not alert others to evacuate the building.
SOURCE: OP:010 Handle and report emergency situations

65. A
Jack pulls stock, Mary packs the box, and Tim places the order on the truck. When one task needs to be completed before another task can be started, then the work must be done in sequential order. Before Tim can place an order on the truck, Mary must pack the stock that Jack pulls from inventory. In this situation, each employee depends on another employee to perform a task before s/he can perform his/her assigned task.
SOURCE: OP:230 Coordinate work with that of team members

66. D
Scope management plan. A project's scope management plan determines what is included in a project and what is not included in the project. A risk management plan is an assessment of risks and strategies for avoiding them. A communications management plan determines how people involved in the project will communicate with one another. A quality management plan determines how the project's quality will be measured, maintained, and prioritized.
SOURCE: OP:001 Develop project plan
SOURCE: LAP-OP-007—Chart Your Course (Developing a Project Plan)

67. D
Comparing project standards with actual performance. Standards are specifications or statements that are used as a basis for making comparisons or judgments. Project managers often use standards as the basis for evaluating project results. For example, a project manager might compare the budget allocated for a specific phase of the project with the actual amount of money spent during that phase to evaluate the use of financial resources. Project managers set goals at the beginning of a project. Project managers must obtain a variety of project data (e.g., internal and external) before they can evaluate project results; therefore, conducting data searches is not a method of evaluating project results. Project managers may develop diagrams to help them visualize project results so they can evaluate them.
SOURCE: OP:159 Evaluate project results

68. D
Order cycle. The order cycle is the period of time that it takes to process and deliver an order upon receipt of a purchase order or requisition. The order cycle is a very important factor to consider when selecting vendors. For example, if a vendor cannot ship parts to a manufacturing company when they are needed, the manufacturing company's production process may be stalled. Product quality, pricing, and the shipping method are factors that businesses consider when selecting vendors; however, the BWH Company is not asking about these factors in the situation provided.
SOURCE: OP:161 Select vendors
69. C
Fixed. Operating costs that do not increase or decrease with changes in production are called fixed expenses. Variable expenses fluctuate along with production. Semi-variable, or mixed, expenses are fixed until a certain level of production is reached—after that, they become variable.
SOURCE: OP:024 Explain the nature of overhead/operating costs
SOURCE: LAP-OP-009—Watch Your (Over) Head (Overhead/Operating Costs)

70. C
Lost productivity. When employees use business equipment for personal reasons, they are usually less productive and more likely to fall behind in their work. Violating technology agreements by using company devices for personal purposes does not necessarily lead to improved morale—and it usually leads to decreased efficiency and increased procrastination.
SOURCE: OP:442 Comply with policies and procedures for use of property and equipment

71. B
Minimum. A decision is affected by internal and external influences—and by the decision-making style you apply. It's important to be aware of what affects how you make a decision. And, it's important to involve the people who should be included in the decision-making process. If a decision maker decides without help—as is Shawn's habit—s/he makes the decision with minimum input. If the decision maker asks for some help before deciding, s/he makes the decision with moderate input. If the decision maker and an entire group of people decide together, s/he makes the decision with significant or maximum input. The key is to use each style when it is called for, based on whether the decision affects others, whether the affected parties want (or need) to have a say in the decision, and who has the information needed to make the decision.
SOURCE: PD:017 Make decisions
SOURCE: LAP-PD-017—Weigh Your Options (Decision-Making)

72. B
A process. Creativity is often identified as the process of allowing new perspectives and of coming up with innovative ways of doing things. This process usually incorporates many elements and goes through many phases. Often, creativity involves taking elements from two or more different settings and applying them to a particular situation.
SOURCE: PD:012 Demonstrate appropriate creativity
SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

73. C
Determining where to store goods between production and consumption. Warehouse employees ensure that goods are effectively stored until they are purchased. They determine where the goods should be stored, how to process orders, and how to fulfill customer service needs. Retailers develop merchandise displays, public relations professionals communicate with the media to create a positive company image, and salespeople and customer service representatives assist customers with setting up accounts.
SOURCE: PD:025 Explain employment opportunities in business
SOURCE: LAP-PD-015—Go For It! (Careers in Business)

74. C
Joining a professional organization. A professional organization is a group of persons in the same profession who form a society to further their common interests. By joining a professional organization, a businessperson has the opportunity to meet others who work in the same field or industry. When a businessperson talks or networks with other businesspeople about topics such as career-development activities or job leads, s/she is taking steps to advance his/her career. Participating in an online social network, developing a creative résumé and cover letter, and planning a meeting with a sales trainer do not necessarily provide a businessperson with work-related networking opportunities.
SOURCE: PD:037 Use networking techniques to identify employment opportunities
75. A
Library computers may not be used for video streaming. Organizations require that their members respect their property in various ways. This can mean using equipment for its intended purpose, not causing damage to property, and not taking advantage of available supplies. In this case, the library does not want its patrons to use its computers for video streaming because it is not the intended purpose. A school prohibiting bullying, employees tracking travel expenses, and soccer team members wearing shin guards do not relate to use of property.
SOURCE: PD:251 Follow rules of conduct
SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)

76. A
Teamwork and communication. Although all marketing careers require specific demands, there are some traits that they all require, including teamwork and communication. Math skills and graphic design may be helpful with certain marketing careers, but they aren't needed in all of them. Most marketing careers rely on teamwork, not independence.
SOURCE: PD:024 Explain employment opportunities in marketing
SOURCE: LAP-PD-024—Career Opportunities in Marketing

77. B
Value. Both buyers and sellers want to feel that they are receiving value when exchanging goods and services for a specific price. Buyers want low prices and to make sure that they are making the best use of their money. Sellers want the highest prices that will still attract the most buyers. Prices should be set so that they satisfy both buyers and sellers in order for both to get the most value from the transaction. Buyers and sellers do not expect to receive credit or prestige when exchanging goods and services for a specific price. Only sellers want to make a profit from sales transactions.
SOURCE: PI:001 Explain the nature and scope of the pricing function
SOURCE: LAP-PI-002—The Price Is Right (Nature of Pricing)

78. B
Bait-and-switch advertising. Bait-and-switch advertising is an unethical and fraudulent sales method in which a store advertises extremely low prices, and then attempts to sell customers different products at higher prices once they visit the store. The purpose of the tactic is to get customers to visit a business in the hopes that they will make a purchase, even if it's not the exact item that they wanted. Predatory pricing is the act of setting prices low in an attempt to eliminate the competition. Price discrimination occurs when a business charges different customers different prices for similar amounts and types of products. Price fixing is an agreement among competitors to "fix," or set the price, for a product so that it is the same among all the stores. All of these methods are unethical and illegal.
SOURCE: PI:017 Explain legal considerations for pricing

79. B
Commercialization. Test marketing involves introducing a new product to a limited market to determine what its acceptance will be. If the test market accepts the product, it is ready for commercialization. Commercialization is the point at which a product goes into full-scale production, the marketing plan is put in place, service and sales training are done, and the product's life cycle begins. Product innovation is the process of generating product ideas. After screening ideas and determining the feasibility of a specific idea or item, the business develops a prototype, which is an early model or sample of the item. Modification is altering an existing product.
SOURCE: PM:001 Explain the nature and scope of the product/service management function
SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)
80. D
Track shipments. An important part of product/service management involves maintaining and improving the good or service because customers expect a quality good or service that keeps up with advances in technology. Satellite communications systems make it possible for businesses to track shipments for customers, thereby improving the good or service. If a business sells a product, it can track the product from the time it is ordered until it is delivered. If the business sells a service such as delivery, it can use satellite communications systems to track the delivery process. Satellite communications systems do not help businesses order replacements, evaluate information, or use software.

SOURCE: PM:039 Describe the use of technology in the product/service management function

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

SOURCE: PM:134 Identify product opportunities

82. B
More participants provide a variety of perspectives. An advantage to group collaboration is that several people are actively involved in the process, which provides greater potential for a lot of ideas. Because each group member has different life experiences, each person has different perspectives (points of view). When a lot of different ideas are generated, more ideas tend to emerge—ideas that build upon previous ideas. Idea generation is not always an easy process. Screening ideas, reaching consensus about the feasibility of a specific idea, and developing and implementing a product concept are steps of the product-development process that occur after the idea-generation process.

SOURCE: PM:128 Generate product ideas

83. B
Provide uniform, consistent products. Standards are statements that specify a product's size, contents, and/or quality. Businesses use standards as a basis for comparing or judging goods and services. A business establishes product-quality standards to make sure that each good and/or service the business offers is uniform and consistent in appearance, durability, or performance. Businesses do not establish product-quality standards to determine necessary inventory levels or to encourage customers to buy in bulk. Businesses establish time standards to improve their employees' productivity rates.

SOURCE: PM:019 Describe the uses of grades and standards in marketing
SOURCE: LAP-PM-008—Raise the Bar (Grades and Standards)

84. C
Replaced. A full warranty provides that if a problem with a product cannot be corrected in a reasonable amount of time, the customer does not have to wait longer but may choose a refund or a replacement. A full warranty does not promise to destroy, rebuild, or improve a product.

SOURCE: PM:020 Explain warranties and guarantees
SOURCE: LAP-PM-004—Promises, Promises (Warranties and Guarantees)
85. C
Often lowers the marketing costs. Product bundling involves combining several products and selling them for one all-inclusive price. Bundling products often lowers a business's marketing costs because the business is selling three items together as one unit rather than three individual items. Bundling products for one low price communicates value to consumers and may reduce their comparison shopping activities, but comparison shopping cannot be eliminated. Bundling products does not reduce product-quality problems, but changes in production processes might improve the quality of products. Product placement is a form of advertising media that uses products as props (e.g., in films or television shows). Product bundling does not usually decrease a business's promotion goals in relation to product placement.
SOURCE: PM:041 Describe the nature of product bundling

86. D
Choosing a price the target market is willing to pay. Marketers can use the element of price to help with positioning by choosing a price the target market is willing to pay. Pricing products too high will reduce sales, but pricing products as low as possible will not always support the product's position. Allowing retailers to set prices may not support the product's position, either.
SOURCE: PM:042 Describe factors used by marketers to position products/services
SOURCE: LAP-PM-019—Getting Piece of Mind (Factors Used to Position Products/Services)

87. C
They work together to represent the brand. A brand's basic identity combines elements that are representations of the brand—a name, logo or brand symbol, and possibly a trade character, or personified symbol. These things help consumers instantly recognize brands. Brand identity elements may influence consumers' feelings toward a brand but not to the degree the brand's values do. Brand identity represents the brand's values, which are at the heart of the brand's relationship with customers. Elements of brand identity may appear on employee clothing, but this is a supplementary function. Their central purpose is to represent the brand and its values. Brand identity—name, logo, and brand character—do influence a brand's success. However, this influence is secondary to that of brand fundamentals—values, promise, touchpoints. Brand success is maximized when brand fundamentals and brand identity are integrated.
SOURCE: PM:206 Explain the nature of corporate branding
SOURCE: LAP-PM-020—Corporate Identity (Nature of Corporate Branding)

88. A
Personal. Any promotional method which involves people is considered a personal promotional method, whether it is face to face or by telephone. Nonpersonal promotion uses coupons, displays, or other promotional devices rather than people. Face-to-face contact is not used in all promotion. It may be formal or informal, depending upon the circumstances.
SOURCE: PR:001 Explain the role of promotion as a marketing function
SOURCE: LAP-PR-002—Razzle Dazzle (Nature of Promotion)

89. A
Reinforces stereotypes. A stereotype is a set image about a person or thing. Sometimes, these images can create ongoing, negative images of cultures or groups of people. Many people associate lawn care with the male gender. As gender roles and societal views continue to change, more women are participating in yard-work activities. Although poor taste is subjective, it is generally considered anything that portrays rude or crude images or behavior. Although some ads induce fear as a means to get people to buy products, this example does not indicate that fear is a factor. Subliminal communication refers to messages that are incorporated into the primary message that fall below a person's level of consciousness.
SOURCE: PR:099 Describe the use of business ethics in promotion
90. B
Key rings bearing a company's name. Specialty advertising is the use of small items that contain the company's name and/or a brief promotional message. The items are usually given to customers to remind them of the business. Examples of other specialty advertising items are pens, matchbooks, calendars, etc. A postcard announcing a special sale is an example of direct mail. Skywriting and billboards are examples of out-of-home media.
SOURCE: PR:007 Explain types of advertising media
SOURCE: LAP-PR-003—Ad-quipping Your Business (Types of Advertising Media)

91. D
Point of purchase display. A point of purchase (POP) display is a specially designed display intended for placement in a high-traffic area of a store to help products stand out and to increase sales. A trade show promotion is a display at an exhibition or convention that brings industry buyers and sellers together in one location. Promotional products are products labeled with the brand or company name to serve as reminders of the actual product. Sales incentives are activities planned to stimulate sales activity by providing benefits like cash or prizes to employees or sales staff who meet a company's sales requirements.
SOURCE: PR:249 Identify communications channels used in sales promotion

92. C
Tag line. A tag line is a slogan or a phrase that is easy to remember that is used in an advertisement. Businesses use tag lines because they help readers identify with the businesses and/or their products. The message is delivered in the copy of an advertisement. The headline is the text set in large type and usually positioned at the top of the advertisement. An endorsement is approval by a reputable external source.
SOURCE: PR:014 Explain the components of advertisements

93. D
Is clear. The advertisement's headline, illustration, copy, and signature should attract the reader's attention in a balanced, visually attractive, and clear way. The advertisement's elements should relate to one another to convey the ad's theme and reinforce the message. The purpose of an advertisement determines if it is appropriate to convey humor or entertain the audience. Clear advertisements should not create uncertainty.
SOURCE: PR:251 Explain the importance of coordinating elements in advertisements
94. C
Developing an employee newsletter. A business's public relations efforts involve creating and maintaining goodwill between the business and the public. There are often many subgroups of the public with whom the business wants to maintain good relations, such as the customers, shareholders, local residents, community organizations, local businesses, local residents, and the business's own employees. The business's employees are part of the business's internal audience. Maintaining positive relationships with employees is important because employees are often customers who buy the business's products. They also talk to their friends and family about the business and its products. Therefore, it is important for a business's public relations department to develop and implement public relations activities that affect its employees. One activity that the public relations staff members are often responsible for is developing the employee newsletter. The newsletter updates the employees about new products, community events, employee promotions, awards, etc. Press conferences, press releases, and charity donations are activities that involve informing the business's external audiences about the business's activities.

SOURCE: PR:253 Discuss internal and external audiences for public-relations activities

95. B
Selling as a service. Believing that selling is a service to the customer helps the salesperson do his/her job effectively. The primary goal is to satisfy the customer, not to make a quick buck. Product knowledge is a salesperson's grasp of all the features and benefits of his/her product. Understanding ethical standards is not enough. Using them helps a salesperson gain the customer's trust. Communication skills involve expressing yourself well to others.

SOURCE: SE:017 Explain the nature and scope of the selling function
SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)

96. C
Research efforts. Internal factors, those forces present within the company itself, affect selling policies. One internal factor involves a business's research efforts. Based on its research, a business might set a policy to guarantee changes based on customer requests for special orders. Customer wants, materials shortage, and social issues are external factors that also affect a business's selling policies.

SOURCE: SE:932 Explain company selling policies
SOURCE: LAP-SE-121—Sell Right (Selling Policies)

97. C
Quickly analyzes numerical data. Computer technology has made it possible to develop a variety of software programs. For example, spreadsheet software programs are used to organize and calculate numerical information. Spreadsheet programs can be used in sales to track and evaluate sales volume and sales dollars. By using spreadsheet programs, businesses can monitor sales and quickly determine if salespeople are achieving goals. Word-processing software might be used to create sales contracts and generate purchase orders. Spreadsheet software programs are not able to identify potential customers but are able to analyze sales figures of existing customers.

SOURCE: SE:107 Describe the use of technology in the selling function

98. C
Company promotions. Company promotions contain product information that helps salespeople answer customers' questions about the advertised products. Ads often contain product descriptions that are useful in making sales. Consumer magazines may or may not contain the company's ads. Economic reports would address the state of the economy. Marketing textbooks would not be likely to contain specific product information.

SOURCE: SE:062 Acquire product information for use in selling
99. B
Become an expert on the cars he will be selling. No matter what product s/he is selling, no salesperson can sell without preparation. The first thing Brandon should do before making any sales is to learn about the cars he will be selling, so that he can effectively help his customers find cars that fit their specific needs. Establishing relationships with fellow salespeople is beneficial, but not necessary to make sales. Prospecting and qualifying leads is something Brandon should do after learning about the cars he will be selling. Shadowing a more experienced salesperson would also be beneficial to Brandon, but it is more important for him to learn about his products first.
SOURCE:  SE:048 Explain the selling process
SOURCE:  LAP-SE-048—Set Your Sales (The Selling Process)

100. C
Planning. Planning is the management function of deciding what work will be done and how it will be accomplished. Planning involves setting goals, identifying necessary resources and methods of achieving those goals, and determining dates for completing tasks and projects. Directing is the management function of providing guidance to workers and work projects. Organizing is the management function of setting up the way the business's work will be done. Controlling is the management function that monitors the work effort.
SOURCE:  SM:001 Explain the concept of management
SOURCE:  LAP-SM-003—Manage This! (Concept of Management)