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| 1. One of the things that a sales forecast can help a business do is to schedule production.   | <b>A. True</b> | B. False        |  |  |
| 2. When the price of a product is high, consumer demand will usually be about average.   | A. True        | <b>B. False</b> |  |  |
| 3. The message or wording that appears in an ad is the copy.   | <b>A. True</b> | B. False        |  |  |
| 4. The audience that a copy is targeting will help to determine the media choice.  | <b>A. True</b> | B. False        |  |  |
| 5. Comparable advertising costs a sponsor more at 7:30 a.m. than at 2:00 p.m. on any given day.  | <b>A. True</b> | B. False        |  |  |
| 6. Pilferage is a form of human risks.   | <b>A. True</b> | B. False        |  |  |
| 7. A marketer can be protected by all risks except for human risks.  | A. True        | <b>B. False</b> |  |  |
| 8. If two companies insure two identical buildings for losses, the same amount of insurance is needed, and the costs will be the same. | A. True        | <b>B. False</b> |  |  |
| 9. An in-store fashion show is considered special event marketing.   | <b>A. True</b> | B. False        |  |  |
| 10. The role of a Consumer Advisory Board is to control the financial and money management aspects of a marketing firm.                | A. True        | <b>B. False</b> |  |  |
| 11. Consumers always purchase features of the products.  | A. True        | <b>B. False</b> |  |  |
| 12. "May I help you" is an effective approach in the selling process.  | A. True        | <b>B. False</b> |  |  |
| 13. The suggestive selling step is the point at which the customer is persuaded to purchase.   | <b>A. True</b> | B. False        |  |  |
| 14. Publicity, like advertising, is paid for by a sponsor.   | A. True        | <b>B. False</b> |  |  |
| 15. Very few marketing companies are concerned about maintaining good employee relations.  | A. True        | <b>B. False</b> |  |  |
| 16. The point in the selling process at which the customer makes a favorable buying decision is considered the close.                  | <b>A. True</b> | B. False        |  |  |
| 17. A Coca-Cola delivery driver to a local store is considered a wholesale salesperson.  | A. True        | <b>B. False</b> |  |  |
| 18. Moving goods from a manufacturer to a wholesaler and then on to a consumer is considered distribution.                             | <b>A. True</b> | B. False        |  |  |
| 19. Having suntan lotion on the shelves of a hotel gift shop in Hawaii is an example of place utility.                                 | <b>A. True</b> | B. False        |  |  |
| 20. The 4 P's of Marketing are Product, Price, Place, and Productivity.  | A. True        | <b>B. False</b> |  |  |
| 21. Utility is the power to satisfy human needs and wants.   | <b>A. True</b> | B. False        |  |  |
| 22. Micro-Marketing focuses on the individual firm or organization.  | <b>A. True</b> | B. False        |  |  |

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| 23. Marketing and the American economic system have no significant relationship.   | A. True   | <b>B. False</b>  |   |  |
| 24. A want and a need are the same as they relate to marketing.  | A. True   | <b>B. False</b>  |   |  |
| 25. Profit is the bottom line and should be a concern of any marketing-related business.   | <b>A. True</b>  | B. False   |   |  |
| 26. A characteristic of human wants is that they are   | A. unchanging.  | <b>B. unlimited.</b>   | C. consistent.  | D. limited.  |
| 27. The primary factor in determining demand is  | A. government control.  | B. cost of production.   | <b>C. product utility.</b>  | D. prices of competing products.   |
| 28. Time can be best thought of as a   | <b>A. resource.</b>   | B. liability.  | C. human resource.  | D. capital resource.   |
| 29. An objective or want that a person wishes to fulfill is referred to as a   | A. plan.  | B. motive.   | <b>C. goal.</b>   | D. resource.   |
| 30. Marketing goal statements should always be written in a very _____ manner.   | A. complex  | B. vague   | C. general  | <b>D. specific</b>   |
| 31. Economic goods and services purchased by businesses for use in their operations are referred to as _____ goods and services.                         | <b>A. industrial</b>  | B. specialty   | C. consumer   | D. tangible  |
| 32. A company's distribution system must be suited to the product and designed to meet the   | A. approval of the competition.   | B. expectations of the customers.  | <b>C. needs of the customer.</b>  | D. company's permanent needs.  |
| 33. The willingness to take less of one thing in order to get more of something else is known as a/an  | A. economic want.   | B. opportunity cost.   | <b>C. trade-off.</b>  | D. economic need.  |
| 34. How can purchasing agents or buyers benefit from an efficient reviewing process?   | A. They learn the appropriate way to handle fragile goods when they arrive at the business. | B. They are able to read price stickers to determine products' weight and price. | C. They enjoy easy access to the receiving area since its doors are open all day. | <b>D. They can determine which products are on back order and when they will be delivered.</b> |
| 35. The least appropriate time for a business to schedule a stock count would be   | A. before reordering merchandise.   | <b>B. on the day a sales promotion begins.</b>                                   | C. prior to running an ad in the Sunday paper.                                    | D. before starting a sales promotion campaign.   |
| 36. Demand for a good is more likely to be elastic when the good is  | <b>A. a luxury.</b>   | B. essential.  | C. a necessity.   | D. inexpensive.  |
| 37. Which of the following are included when calculating gross national product?   | A. Raw materials  | <b>B. Finished products</b>  | C. Natural resources  | D. Imports   |
| 38. During an expansion phase of the business cycle, businesses will tend to   | <b>A. borrow more money.</b>  | B. decrease stock prices.  | C. pay fewer dividends.   | D. have more bankruptcies.   |
| 39. If a business that normally has gross sales of \$ 15,800 per week forecasts an increase in sales of 8, forecasted weekly sales would be              | A. \$11,264.  | B. \$15,800.   | C. \$16,200.  | <b>D. \$17,064.</b>  |
| 40. A business with \$40,000 in net sales for the month also has operating expenses of \$14,000. If costs of goods sold total \$24,000 the net profit is | <b>A. \$2,000.</b>  | B. \$16,000.   | C. \$10,000.  | D. \$26,000.   |
| 41. By saying that we live in an economy that is abundant, we mean that  | <b>A. manufacturers produce more than people can use.</b>                                   | B. new developments are needed in technology, automation, and mass production.   | C. people use more than manufacturers are able to produce.                        | D. consumers are unable to buy the things they need or want.                                   |

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| 42. A characteristic of a business's current assets is they are  | A. fixed.                            | B. intangible.                             | C. depreciated.                                     | <b>D. liquid.</b>  |
| 43. Knowledge, skills, and attitudes taught in a marketing class are called  | A. approaches.                       | B. assessments.                            | C. procedures.                                      | <b>D. competencies.</b>  |
| 44. Determine whether the following statement is true or false: Trade industries all have the same form of ownership.  | A. True; they all belong to a chain. | B. True; they are all independently owned. | C. False; they may be corporations or partnerships. | <b>D. False; they may be independent or belong to a chain.</b> |
| 45. Communicating information to consumers or clients about products, images, or ideas that will influence their buying decision is the _____ function.  | A. pricing                           | <b>B. promotion</b>                        | C. product/service planning                         | D. purchasing  |
| 46. Plans of action for achieving marketing goals and objectives are known as marketing _____  | <b>A. strategies.</b>                | B. media.                                  | C. tactics.   | D. mix.  |
| 47. Every channel of distribution begins with the _____ and ends with the user or consumer.  | A. agent                             | B. intermediary                            | C. retailer   | <b>D. producer</b>   |
| 48. An advertising campaign would be part of the area of marketing know as   | A. planning.                         | B. distribution.                           | <b>C. promotion.</b>                                | D. pricing.  |
| 49. A retailer reduced the prices of fur coats and jackets after demonstrations by animal rights activists had a negative effect on consumer demand. This is an example of _____ pricing.  | <b>A. flexible</b>                   | B. negative                                | C. competitive                                      | D. prestige  |
| 50. Which is an example of a product item rather than a product line?  | A. Frozen foods                      | B. Men's apparel                           | <b>C. A cheeseburger</b>                            | D. Health and beauty aids                                      |
| 51. At what stage in the product life cycle would a business with a new and innovative product line expect to experience the greatest increase in sales?   | A. Decline                           | <b>B. Growth</b>                           | C. Maturity   | D. Introduction  |
| 52. Which of the following is an advantage of personal selling over advertising in the promotional mix?  | <b>A. Immediate feedback</b>         | B. Less costly per contact                 | C. No face-to-face contact                          | D. Less flexible   |
| 53. Two factors involved in determining the value of a resource, good, or service are  | A. demand and productivity.          | B. availability and trade-offs.            | <b>C. availability and demand.</b>                  | D. productivity and opportunity costs.                         |
| 54. Sales indicate that a firm's product lines A and B are its best sellers. Consequently, the buyer is planning to increase purchases of these product lines. This is a buying function of  | A. selecting supply sources.         | B. receiving and checking products.        | C. following up after the purchase.                 | <b>D. determining product and quantity needs.</b>              |
| 55. The business department of a high school planning to purchase computers has gathered information on different types of computers from teachers, salespeople, and manufacturers' brochures. What type of buying decision is being made? | A. Need                              | <b>B. Product</b>                          | C. Price  | D. Place   |
| 56. Products sold to companies or governments in other countries are called  | A. barriers.                         | B. imports.                                | <b>C. exports.</b>                                  | D. international trade.  |
| 57. The availability of natural resources affects the conditions of a country.   | A. political                         | <b>B. economic</b>                         | C. domestic   | D. international   |

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| 58. When the United States sells its products to the government of a country in Europe, the United States is engaged in            | <b>A. exporting.</b>   | B. importing.   | C. domestic trade.  | D. illegal trade.   |
| 59. Which of the following was passed to prevent price discrimination?   | A. Sherman Act   | B. Wheeler Lea Act  | <b>C. Robinson-Patman Act</b>   | D. Federal Food and Drug Act  |
| 60. Which of the following forms of transportation is very slow but inexpensive?   | <b>A. Water carriers</b>   | B. Railroads  | C. Motor carriers   | D. Air carriers   |
| 61. Maintaining a balance between stock and consumer demand is a goal of _____ management.   | A. product   | B. personnel  | <b>C. inventory</b>   | D. operations   |
| 62. Restrictions and obstacles that reduce free trade among countries are called trade _____.                                      | A. cultures  | <b>B. barriers</b>  | C. activities   | D. defenses   |
| 63. All of the following are federal U.S. agencies that assist businesses in exporting except the                                  | A. Small Business Administration.                                  | B. Export-Import Bank.  | C. Foreign Agricultural Services of the USDA.                                     | <b>D. United Nations.</b>   |
| 64. A basic function of marketing, which determines a business' need for funds, is known as  | A. pricing.  | B. promotion.   | <b>C. financing.</b>  | D. purchasing.  |
| 65. Which of the following is an important advantage for the corporate form of business ownership?                                 | A. Ease of starting and ending                                     | B. Relatively little government regulations                                     | C. Ease of making major policy changes  | <b>D. Ability to raise large amounts of capital</b>                             |
| 66. Which of the following statements about product/service planning is true?  | A. Test marketing is an inexpensive way to introduce new products. | B. Existing products are not affected by product/service planning.              | <b>C. Government regulations control labeling and packaging of many products.</b> | D. Only tangible (physical) products are targeted for product/service planning. |
| 67. The tool that businesses use to communicate with customers in order to influence purchase behavior is                          | A. relevance.  | B. persuasion.  | C. marketing.   | <b>D. promotion.</b>  |
| 68. Which of the following is a factor that could describe a nation's demographics?  | <b>A. Educational level</b>  | B. Political system   | C. Social values  | D. Technology   |
| 69. The group of customers that a business plans to serve is called a  | A. psychographic profile.  | <b>B. target market.</b>  | C. demographic trend.   | D. social need.   |
| 70. What is the purpose of secondary product promotion?  | A. Create a certain image of the company                           | B. Create an image for a particular product                                     | C. Stimulate demand for an entire class of goods/services                         | <b>D. Stimulate demand for a specific brand of a product</b>                    |
| 71. Which of the following is a primary purpose of publicity?  | A. To satisfy customers  | B. To keep bad information from the press                                       | C. To reduce advertising rates  | <b>D. To create a favorable image for the business</b>                          |
| 72. Why would a business add high-priced products to its product mix?  | A. To limit costs  | B. To overcome production problems  | <b>C. To enhance the image of the company</b>                                     | D. To prevent out-of-stock conditions   |
| 73. A positive effect of establishing good communication with employees is   | A. higher prices.  | <b>B. more production.</b>  | C. slower stock turnover.   | D. higher rate of employee turnover.  |
| 74. Market share can be defined as the   | A. minimum rate of return on an investment.                        | <b>B. portion of the total sales volume for a product in a specific market.</b> | C. quantity of a product consumers are willing to buy at a given time.            | D. quantity of a product that producers are willing to offer at a given time.   |
| 75. The owner/manager of a small business with a limited advertising budget may obtain help with his/her advertising expenses from | A. consumer panels.  | B. customer surveys.  | C. fashion coordinators.  | <b>D. manufacturers.</b>  |

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| 76. Sales promotion activities such as giveaways, contests, premiums, and special sales are most effective when they are  | A. kept separate from other promotions.              | B. repeated at regular intervals.                    | C. used instead of expensive advertisements.   | <b>D. coordinated with other promotional activities.</b>  |
| 77. A country imports goods and services from other countries in order to   | A. create a trade deficit.                           | B. create a trade surplus.                           | <b>C. satisfy domestic wants and needs.</b>  | D. participate in domestic trade.   |
| 78. Which of the following is a consumer concern of the exchanges that occur as a result of marketing?  | A. Making maximum profits                            | <b>B. Obtaining items when needed</b>                | C. Gaining repeat business   | D. Determining how to meet wants  |
| 79. Determining the terms of a warranty is an activity associated with the _____ element of the marketing mix.  | A. place   | <b>B. product</b>                                    | C. price   | D. promotion  |
| 80. A basic function of business maintenance is   | A. purchase of stock.                                | <b>B. repair of the firm's equipment.</b>            | C. control of inventory.   | D. construction of displays.  |
| 81. Promotional activities focus on pointing out the differences between competing products when a company's product is in the _____ stage of the life cycle.   | A. growth  | B. pioneering  | <b>C. maturity</b>   | D. decline  |
| 82. The goal of a firm's participation in community activities is to  | A. generate advertising dollars.                     | <b>B. create goodwill for the business.</b>          | C. ensure a well-rounded promotional mix.  | D. obtain cooperative advertising funds.  |
| 83. A promotional plan of a business is based on the business'  | <b>A. marketing plan.</b>                            | B. financial plan.                                   | C. merchandise plan.   | D. advertising plan.  |
| 84. Which of the following might be included in a sales training program for new salespeople as an aspect of product knowledge?   | A. Ways to solve service problems                    | <b>B. Production aspects of a good or service</b>    | C. Methods of arranging financing  | D. Strengths of specific sales approaches   |
| 85. Detailed production information is likely to be provided in formal training sessions for sales managers involved in   | A. retail sales.                                     | B. telemarketing.                                    | C. prospecting.  | <b>D. industrial sales.</b>   |
| 86. What would salespeople stress when selling services to customers?   | <b>A. Benefits</b>                                   | B. Solutions   | C. Options   | D. Necessities  |
| 87. Which of the following will probably happen if a business fails to build clientele?   | A. The business' success will be ensured.            | B. Positive word-of-mouth advertising will increase. | <b>C. Customer turnover will be high, leading to increased costs of replacing customers.</b> | D. Salespeople will invest their time in working with customers who plan to switch competitors. |
| 88. Before analyzing potential products to purchase for a firm or business, the buyer should first  | A. choose an order routine.                          | <b>B. determine the products needed.</b>             | C. search for qualified sources.   | D. calculate the quantity needed.   |
| 89. What is the final cost to the business of a product priced at \$40 with a 20 trade discount?  | A. \$22.00   | B. \$25.00   | <b>C. \$32.00</b>  | D. \$35.00  |
| 90. A manufacturer sells 16,000 products annually to wholesaler A for \$ 10 a unit and 17,000 of the same product to wholesaler B for \$15 a unit. Wholesaler A & B operate in the same city. This situation is an example of | A. price fixing.                                     | B. minimum pricing.                                  | <b>C. price discrimination.</b>  | D. manufacturer's list price.   |
| 91. The number of products and the assortment of sizes, colors, and models offered in a product line is a product mix dimension known as  | <b>A. depth.</b>                                     | B. consistency.                                      | C. line.   | D. breadth.   |
| 92. Which of the following statements applies to telemarketing?   | A. It is used to reach mass audiences at a low cost. | B. Its use is expected to double in the coming year. | <b>C. It enables customers to find out more about products.</b>                              | D. It has overcome the consumer resentment it once faced.                                       |

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| 93. The business manager decided on a company goal of 20 increase in sales over the next 12 months. What part of the planning process did the manager complete? | A. Recruiting staff | B. Directing activities     | <b>C. Setting objectives</b> | D. Controlling systems |
| 94. The section of the marketing plan that should address where the business will be located is in the _____ section.   | <b>A. place</b>     | B. price                    | C. product                   | D. promotion           |
| 95. J.C. Penney, Wal-Mart, and Wendy's are examples of _____.   | A. agents.          | B. industrial distributors. | <b>C. retailers.</b>         | D. wholesalers.        |