

True or False. Mark "A" if the statement is True or "B" if it is False.				
1. Products are classified as consumer, investment, or government products.	a. True	b. False		
2. During the maturity stage of the product life cycle, competitors tend to reduce prices in an attempt to attract new buyers.	a. True	b. False		
3. Promotional efforts do not include event marketing.	a. True	b. False		
4. The regular addition of new products to the firm's mix helps ensure that it will not become a victim of product obsolescence.	a. True	b. False		
5. A trademark is a brand that has been given legal protection exclusive to its owner.	a. True	b. False		
6. The strategy of using a popular brand name for a new product entry in an unrelated product category is known as brand extension.	a. True	b. False		
7. Direct marketing refers to direct communication other than personal sales contact between buyer and seller, as takes place in catalog and direct-mail sales.	a. True	b. False		
8. Demand curves are based on marketing research estimates that are as accurate as cost figures.	a. True	b. False		
9. Breakeven analysis is a means of determining the number of goods or services that must be sold at a given price in order to generate sufficient revenue to cover total costs.	a. True	b. False		
10. Marketing intermediaries are the marketing institutions in the distribution channel that operate between producers and consumers.	a. True	b. False		
11. The Foreign Corrupt Practices Act legalized bribery and payoffs made by U.S. firms to foreigners.	a. True	b. False		
12. The Sherman Antitrust Act delineates maintenance of a competitive marketing system as national policy.	a. True	b. False		
13. Marketers have been unsuccessful in attempting to control forces in the legal and political environment.	a. True	b. False		
14. Consumerism is defined as social forces within the environment designed to aid and protect the buyer by exerting legal, moral, and economic pressures on business.	a. True	b. False		
15. Marketing research is best conducted within the framework of a firm's strategic plan.	a. True	b. False		
Mark the correct answer on your scantron sheet for each of the following questions.				
16. The determination of whether pencils are consumer products or business products is based on	a. how many are being purchased.	b. the price of the pencils.	c. the purpose for which the pencils are purchased.	d. where the pencils are purchased.
17. Goods purchased by the ultimate consumer for personal use are called	a. raw materials.	b. commercial goods.	c. personal products.	d. consumer products.

18. The process of dividing the total market into several homogeneous groups is called	a. market segmentation.	b. market penetration.	c. marketing mix.	d. market grid.
19. An example of market segmentation would be	a. residents of urban areas and rural areas considered as one market.	b. high-income consumers and low-income consumers are treated the same in the market.	c. General Motors separates its markets into economy car buyers and luxury car buyers.	d. a firm markets its products to all residents with one marketing mix.
20. Which of the following items would not be marketed to a young "single?"	a. Encyclopedias	b. Fashion items	c. Cars	d. Vacations
21. Most organizations practice	a. concentrated marketing.	b. differentiated marketing.	c. tactical marketing.	d. strategic marketing.
22. In the strategy of marketing convenience products, an important role is played by	a. packaging.	b. the wholesalers.	c. exclusive distribution.	d. retailer advertising.
23. Supermarkets usually place items such as candy, gum, and magazines near the checkout counter so they will be easy to find. These products are displayed	a. based on price.	b. on a trial basis.	c. to create new habits.	d. at the point of purchase
24. Shopping products would typically include	a. Coca-Cola and Snapple Ice Tea.	b. bread, milk, and gasoline.	c. clothing, furniture, and appliances.	d. Rolex watches and BMW autos.
25. The correct order of the product life cycle is	a. introduction, decline, growth, stabilization.	b. introduction, growth, maturity, decline.	c. introduction, growth, competition, decline.	d. introduction, maturity, growth, decline.
26. Currently popular products that tend to follow recurring life cycles are called	a. duds.	b. staples.	c. utility items.	d. fashions.
27. Early purchasers of new products are often	a. lower in social status.	b. less educated.	c. opinion leaders.	d. frugal.
28. When it concentrates on a single product, a firm	a. expands its growth potential.	b. limits its growth potential.	c. offsets seasonal variations.	d. boosts its company profits.
29. A trademark is	a. the pictorial design of the product.	b. a vocalized brand consisting of words or letters.	c. a name, term, sign, symbol, design, or some combination thereof that has been given legal protection.	d. usually created by a venture team.
30. Star-Kist is a brand name; Charlie the Tuna would be considered a	a. private brand.	b. trademark.	c. label.	d. brand preference.
31. Counterfeit products are referred to as	a. brand marks.	b. copies.	c. knockoffs	d. duplicates.
32. Matthew is a college student who prefers Hyer's root beer. However, if it is not available, he will drink another brand of root beer. Matthew is practicing	a. brand preference.	b. brand insistence.	c. brand awareness.	d. brand recognition.
33. The main advantage of generic products is	a. package design.	b. ease of distribution.	c. test marketing.	d. low cost.
34. Popeye's Chicken places a \$1-off coupon in the newspaper. This is an example of the step in the marketing communications process known as	a. encoding.	b. transfer.	c. decoding.	d. feedback.
35. An objective of promotion is to	a. increase form utility.	b. provide time and place utility.	c. obtain information.	d. accentuate the value of the product.
36. The desire for a specific brand is called	a. primary demand.	b. selective demand.	c. demand variability.	d. differentiated demand.

37. Examples of sales promotion include each of the following except	a. trade shows.	b. contests.	c. coupons.	d. advertising.
38. State laws requiring sellers to maintain minimum prices for comparable merchandise are called	a. fair-trade laws.	b. unfair-trade laws.	c. zero-markup laws.	d. loss-leader laws.
39. Profit maximization is	a. a volume objective.	b. not a price objective.	c. the addition to total costs balanced by the increase in total quantity sold.	d. achieving the balance between total revenue and total costs.
40. The pricing strategy that emphasizes benefits derived from a product in comparison to the price and quality levels of competing offerings is called	a. value pricing.	b. value-added.	c. premium pricing.	d. value positioning.
41. Rolls Royce automobiles probably would be sold on the basis of the pricing strategy of	a. meeting competitors' prices.	b. prestige.	c. revenue maximization.	d. sales maximization.
42. An example of a customary price would be spending	a. \$3 for a pair of 3-D glasses at the movies.	b. \$400 for a color TV.	c. \$1 for a candy bar sold by members of a local soccer team in order to raise money.	d. \$16,400 for an Acura automobile.
43. If a marketer could convince the public to replace toothbrushes on a regular basis, the marketer would be concentrating on the	a. consumers' dental health.	b. market potential.	c. company goals.	d. cost/benefit.
44. The most popular method of pricing is	a. full-cost pricing.	b. breakeven pricing.	c. incremental-cost pricing.	d. cost-plus pricing.
45. The number of units that must be sold at a certain price in order to recover fixed costs is determined by	a. cost-plus pricing.	b. target return analysis.	c. breakeven analysis.	d. marginal analysis.
46. Marginal cost is	a. the change in total cost resulting from an additional unit of output.	b. the result of demand curves from which breakeven analysis is calculated.	c. the composition of fixed and variable components of revenue.	d. the difference between total costs and total revenue.
47. The markup	a. is established to cover costs only.	b. covers overhead expenses only.	c. should cover unassigned costs and provide a profit.	d. is standard for all firms.
48. Marketing research benefits an organization primarily by	a. providing information for only those marketing decisions that are uncommon or too complex.	b. providing managers a means to judge worker performance.	c. providing consumers with information concerning why the product is useful to them.	d. aiding the decision maker with pertinent facts, analyzing them, and suggesting possible courses of action.
49. A step in the marketing research process is	a. defining the problem.	b. identifying hypotheses.	c. deciding whether data is primary or secondary.	d. interviewing the total population.
50. Research to discover the cause of a problem is defined as	a. informal investigation.	b. limited service.	c. exploratory research.	d. preliminary research.
51. A topic for exploratory research would be	a. sales results and market coverage.	b. accounting procedures.	c. financial practices.	d. personnel policies and procedures.
52. A research design is	a. a flow chart of consumer buying habits and patterns.	b. a master plan for carrying out an investigation.	c. a control document for evaluating costs.	d. the conclusion drawn from an investigative study.

53. Sources of external data for research purposes include each of the following except	a. federal government data.	b. local government data.	c. trade association data.	d. sales and expense data.
54. Your department head recommends using secondary data in your marketing research project. This secondary data would	a. require you to survey 100 people.	b. need to be collected by an outside professional researcher.	c. have been previously published by some agency or research organization.	d. require you to observe consumer buying habits.
55. The basic rule is to understand that marketing research is intended to	a. solve marketing problems.	b. assist in decision making.	c. raise standards in marketing.	d. be an end in itself.
56. One major source of research of global markets is the United States government, particularly the	a. Department of Commerce.	b. Federal Trade Commission.	c. Interstate Commerce Commission.	d. Treasury Department.
57. Which one of the following is not part of the pyramid of corporate social responsibility?	a. Ethical responsibilities	b. Legal responsibilities	c. Philanthropic responsibilities	d. Marketing responsibilities
58. The attainment of organizational objectives by predicting and influencing the competitive, political-legal, economic, and social-cultural environments is referred to as	a. research and development	b. marketing research.	c. environmental management.	d. uncontrollable variables.
59. NAFTA stands for	a. North American Fair Trade Association.	b. North American Free Trade Agreement.	c. National Association of Fair Trade Agreements.	d. National Association of Foreign Trade Alliance.
60. No marketer who plans to succeed can initiate a strategy without taking into account society's	a. cultures and values.	b. research data.	c. resource allocations.	d. economic supply.
61. The success or failure of the competitive marketing system can ultimately be evaluated on the basis of	a. competition.	b. corporate growth.	c. the economy.	d. serving the needs of the consumers.
62. Marketing ethics pertain to the marketer's	a. culture.	b. background heritage.	c. religion.	d. standards of conduct and moral values.
63. The Robinson-Patman Act is a law designed to	a. maintain a competitive environment.	b. regulate competition.	c. protect consumers.	d. deregulate the banking industry.
64. If you had a problem with the rates charged for your cargo being shipped cross country by railroad, you would complain to the	a. Interstate Commerce Commission.	b. local traffic manager.	c. Federal Communications Commission.	d. Federal Trade Commission.
65. Ethical problems in product strategy may be raised in regard to	a. aesthetic quality.	b. brand familiarity.	c. product quality.	d. production automation.
66. Probably the most regulated aspect of a firm's marketing strategy is	a. production.	b. pricing.	c. profit.	d. promotion.
67. The Federal Food, Drug, and Cosmetic Act is an example of a law passed during the phase of	a. protecting competitors.	b. industry regulation.	c. protecting consumers.	d. industry deregulation.
68. Marketers must clearly monitor the technological environment in order to	a. hamper the firm from remaining competitive.	b. reduce customer service.	c. modify employee benefits.	d. make decisions that increase productivity and efficiency.
69. The consumerism movement started as a result of	a. increased competition.	b. the declining birthrate.	c. changing societal values.	d. the technological environment.
70. Not all consumer demands are met by business because	a. consumers have no rights.	b. consumers play a minor role in marketing.	c. consumer groups lack political clout.	d. profits remaining viable are more important.

71. Which one of the following best describes the right of a consumer to be informed?	a. Consumers should be able to choose from among a range of goods and services.	b. Consumers should be provided with enough education and product information to enable them to be responsible buyers.	c. Consumers should be able to express legitimate displeasure.	d. Consumers should be assured goods and services are safe.
72. According to the American Marketing Association's Code of Ethics, marketers must be guided by	a. their rules of personal ethics.	b. the adherence to selective laws and regulations.	c. exclusions to "kickbacks.	d. the active support, practice, and promotion of the Code of Ethics.
73. Much of early marketing research consisted of	a. written testimonials received from purchasers.	b. statistical evaluations.	c. telephone surveys.	d. sampling techniques.
74. International marketing efforts may fail if marketers don't consider	a. local customs, tastes, and living conditions.	b. high-income levels.	c. a moderate and growing population.	d. an overly industrialized society.
75. Before entering a foreign market, marketing research	a. should only be done by a foreign-based organization.	b. is unnecessary.	c. is vital due to varying buying patterns worldwide.	d. should be limited to purchases of expensive items.
76. The infrastructure of a country refers to its	a. size, per capita income, and stage of economic development.	b. culture, including language, education, and social values.	c. legal agreements.	d. communication systems, transportation networks, and energy facilities.
77. Changes in exchange rates	a. occur very infrequently, if at all.	b. complicate the exchange of one nations' currency for another's currency.	c. cause relatively little impact to U.S. exporters' sales.	d. encourage travelers abroad to spend freely.
78. A complete ban on the import of a product is known as	a. an import quota.	b. a revenue tariff.	c. an embargo.	d. a protective tariff.
79. To market its apparel in Canada and Mexico, a company uses the same advertising campaign as in the United States. This strategy is	a. global marketing.	b. commodity marketing.	c. international apparel marketing.	d. one-product, one message.
80. The United States is an inviting target for foreign marketers because it has	a. low levels of discretionary income.	b. strict trade barriers.	c. political instability.	d. consumers who prefer foreign-made goods over domestic-made goods.
81. Protective tariffs can be used by a country to	a. ban certain categories of imported products.	b. raise funds for the country of origin.	c. raise the retail price of imported products to match or exceed that of similar domestic products.	d. stabilize the value of products being imported.
82. If you were marketing a product for export to Europe, you should remember that	a. prices are constant throughout all of Europe.	b. products are more expensive in Spain than in France.	c. prices are not a significant factor when exporting to Europe.	d. products selling for bargain prices in one country may be an expensive luxury in another country.

83. Business firms that operate between producers and consumers are called	a. marketers.	b. sorters.	c. intermediaries.	d. facilitators.
84. Service channels tend to	a. be impersonal.	b. include industrial distribution.	c. be longer than channels for consumer goods.	d. be shorter than channels for consumer goods.
85. The traditional marketing channel for consumer goods is illustrated by	a. producer to ultimate consumer.	b. producer to wholesaler to consumer.	c. producer to agent to wholesaler to retailer to consumer.	d. producer to wholesaler to retailer to consumer.
86. The use of two or more distribution channels to reach the same target market is referred to as	a. dual marketing.	b. dual channeling.	c. dual distribution.	d. dual target marketing.
87. Wholesaling intermediaries provide each of the following marketing functions except	a. buying & selling.	b. storing & transporting.	c. assembling & producing.	d. financing & risk taking.
88. The wholesaler serves as a sales force for	a. producer-suppliers.	b. consumers.	c. large retailers.	d. small retailers.
89. When an intermediary represents numerous producers, the costs involved in buying and selling often	a. increase.	b. decrease.	c. remain the same.	d. decrease drastically.
90. The truck jobber deals mainly with	a. bulk commodity items.	b. office supplies.	c. bread and dairy products.	d. small appliances.
91. The wholesaler who brings buyers and sellers together and allows merchandise to be inspected prior to purchase is the	a. auction house.	b. truck wholesaler.	c. selling agent.	d. drop shipper.
92. A manufacturer's agent	a. can sell for several manufacturers of non-competing products.	b. is the independent marketing department of a small firm.	c. aids the manufacturer by taking title to the products.	d. carries a very large inventory for the manufacturer.
93. Goods manufactured abroad under licenses and then sold in the U.S. market in competition with their U.S. produced counterparts are called	a. white goods.	b. vertical goods.	c. grey goods.	d. black market goods.
94. A marketer's choice of a distribution channel is based on each of the following factors except	competitive factors.	b. the tariffs to be imposed.	c. the product to be distributed.	d. an analysis of the market.
95. Relatively short channels of distribution are utilized for products such as	a. frozen foods.	b. fresh produce and high-fashion clothing.	c. appliances.	d. stationery supplies.
96. If aggressive promotion is desired at the retail level, the producer chooses	a. the longest channel possible.	b. the shortest available channel.	c. multiple channels.	d. dual channels.
97. A retailer would most likely have exclusive rights for	a. Ferrari automobiles.	b. Kodak cameras.	c. Timex watches.	d. Coleman camping gear.
98. A freight forwarder is	a. not used in international transportation.	b. a supplemental carrier.	c. an air-freight expediter.	d. a firm that consolidates shipments for shippers.
99. Physical distribution includes each of the following activities except	a. customer service.	b. inventory control.	c. production control.	d. materials handling.
100. Piggyback involves the combination of	a. trucking and railroading.	b. trucking and water carriers.	c. water carriers and railroading.	d. air carriers and railroading.