

1. An employer may be liable for an employee's tort when the employee's actions occur
 - A. within normal operating hours.
 - B. under emotional stress.
 - C. within the scope of his/her employment.
 - D. without the employer's knowledge.
2. Loggins Forestry and Mill Company sells wood to Henderson Wood Products. Henderson sells the wood to Franklin Construction Company, who uses the wood to build homes and office buildings. What is the channel of distribution for the wood products?
 - A. Agent to industrial user to retailer to consumer
 - B. Producer to industrial user to consumer
 - C. Agent to wholesaler to consumer
 - D. Producer to industrial distributor to user
3. One way to provide good customer service is to have sufficient inventory available when the customers
 - A. request product specifications.
 - B. place their orders.
 - C. return samples.
 - D. submit a quotation request.
4. Computer networking and information sharing among channel members at all levels have increased the levels of collaboration and
 - A. transparency.
 - B. mediation.
 - C. competitiveness.
 - D. bureaucracy.
5. A manufacturer that has 65% of the market share is pressuring its wholesalers to sign an agreement stating that they will not sell competing products. In this situation, the agreement is illegal because it
 - A. controls resale prices.
 - B. prohibits monopolies.
 - C. violates antitrust laws.
 - D. limits producers' rights.
6. In relation to channel management, which of the following actions should the manufacturer take to effectively introduce a new product to the marketplace:
 - A. Use appropriate promotional techniques to inform channel members
 - B. Establish ethics policies
 - C. Improve communication with distributors or wholesalers
 - D. Apply for a line of credit
7. One way that a manufacturer can foster positive relationships with its channel members is by
 - A. selling directly to end users.
 - B. encouraging a competitive culture.
 - C. providing training programs.
 - D. using aggressive tactics.
8. When you look for supporting evidence in published materials, you are evaluating the
 - A. margin of error.
 - B. readability of the text.
 - C. credibility of the sources.
 - D. timeliness of the content.
9. What is the most appropriate closing to include in a response to a customer's e-mail inquiry for product information?
 - A. The model 2CR is available in three colors—red, black, and white. Reply by e-mail with the color that you want.
 - B. On behalf of LVN Industries, thank you for your order. Your confirmation number is 243597.
 - C. We apologize for the inconvenience and will send a corrected invoice to you within 24 hours.
 - D. Thank you for your interest in XWQ products. Please let me know if you have any additional questions.
10. Your supervisor has asked you to prepare a marketing status report for each of the company's six regional offices. The most appropriate way to organize the information is
 - A. by site location.
 - B. by sales function.
 - C. in chronological order.
 - D. in reverse sequence.

11. In which of the following documents is it most appropriate to include an executive summary:
- A. Complex research report
 - B. Six-page case study
 - C. Employee handbook
 - D. Manuscript outline
12. Holding a telephone conference call is an efficient way for multiple employees to communicate at the same time when they
- A. work in different cities.
 - B. require visual aids for discussion.
 - C. perform different job functions.
 - D. lack text messaging capabilities.
13. Kate's coworker Jack is meeting with a very important German client tomorrow. Kate has been to Germany several times, and tells Jack that German businesspeople tend to be very formal and serious in business situations. After learning this information, Jack now knows that he should avoid
- A. using humor.
 - B. using titles.
 - C. shaking hands.
 - D. making eye contact.
14. Which of the following is an example of a brand promise:
- A. Low credit terms are available for qualified customers until January, 2012.
 - B. Leather sofas only \$499 this weekend—buy now at Fred's Furniture Warehouse.
 - C. Henderson Photography...uniquely capturing your special moments is our priority.
 - D. For your convenience, four Cup O' Joe locations are open in the greater-metro area.
15. Which of the following is a characteristic of the machine bureaucracy organizational structure:
- A. Decentralized decision making
 - B. Specialization by work task
 - C. Project-team orientation
 - D. Resource sharing
16. What step can an organization take that will help it adapt quickly to changes in the marketplace?
- A. Overlook employee input
 - B. Update product information
 - C. Encourage obsolescence
 - D. Develop contingency plans
17. Items most likely to be subject to an excise tax include
- A. apartment buildings and single-family homes.
 - B. inherited items and luxury cars.
 - C. gasoline and cigarettes.
 - D. milk and cheese.
18. Which of the following is a circumstance that is most likely to cause interest rates to increase:
- A. Economic recession
 - B. Low inflation
 - C. Tight money supply
 - D. Consistent investment spending
19. If one U.S. dollar is equal to \$1.01018 Canadian dollar, how much would you pay for a 16-gigabyte iPhone that costs \$299 U.S. dollars in Canadian dollars?
- A. \$306.05
 - B. \$304.05
 - C. \$300.05
 - D. \$302.05
20. Sean was born and raised in Quebec, and his grandparents are from Ireland. Sean's Irish heritage is his
- A. subculture.
 - B. dominant culture.
 - C. standard culture.
 - D. culture.
21. Which of the following is an example of a potentially unethical action associated with providing business information:
- A. Using passwords to limit employees' access to various types of business files
 - B. Discussing specific product-development processes with external business sources
 - C. Providing employees with information about business practices and expectations
 - D. Implementing whistle-blowing procedures to report questionable workplace behavior

22. Janet is a busy advertising executive trying to balance her job, family, and social responsibilities. Four days a week, Janet runs on a treadmill for an hour. After her workouts, Janet feels relaxed and focused. Janet's exercise program helps her manage
- A. time.
 - B. goals.
 - C. stress.
 - D. work.
23. During a staff meeting, the sales manager said, "I want to take a moment to thank Sophie for coordinating the behind-the-scenes efforts that have helped us land the Grisham account. I really appreciate her contribution to the company." What type of motivation is the sales manager providing Sophie?
- A. Award-based incentive
 - B. Performance recognition
 - C. Improvement feedback
 - D. Feed-forward input
24. When you have the ability to communicate appropriately with teachers, work supervisors, and family members at different times, you are demonstrating adaptability in situations related to
- A. resource availability.
 - B. unfamiliar conditions.
 - C. personal interactions.
 - D. planned changes.
25. To build collaborative relationships in the workplace, employees should
- A. agree with others' opinions.
 - B. focus on personal goals.
 - C. be open to new ideas.
 - D. delegate responsibilities.
26. What course of action can a lender take if a debtor's account is past due?
- A. File a judicial lien
 - B. Claim defamation
 - C. Apply for bankruptcy
 - D. Liquidate assets
27. Which of the following is an example of a payroll deduction:
- A. Overtime hours
 - B. Health insurance
 - C. Net pay
 - D. Pay rate
28. One of the best ways to protect yourself against identity theft is to
- A. use the same password for all online financial accounts.
 - B. pay your bills online.
 - C. monitor your credit and bank accounts continuously.
 - D. pay for your purchases with debit cards.
29. Which of the following financial services providers is most likely to provide a small, local coffee shop with business loans, checking and savings accounts, and overdraft protection:
- A. Eastern Region Investment Bank
 - B. Marley and Winston Commercial Bank
 - C. Walker, Steinbrenner, and Houghton, CPA Firm
 - D. Allen and Mellon Brokerage Firm
30. What should accountants demonstrate when collecting accounting information and preparing financial documents?
- A. Empathy and flexibility
 - B. An innovative attitude
 - C. A collaborative mindset
 - D. Professional integrity
31. A financial planner advises a client to make a high-risk investment. This is an unethical action if the
- A. client's objective is to avoid tax obligations.
 - B. client asks the financial planner to make the investment.
 - C. financial planner has reviewed the investment terms and conditions.
 - D. financial planner's primary motive is to earn a large commission.

32. Why do human-resource managers often post job openings on web sites such as Monster.com and CareerBuilder.com?
- A. To interview applicants
 - B. To recruit employees
 - C. To identify needed skills
 - D. To assess training methods
33. By continuously monitoring internal marketing information, a business is often able to
- A. investigate competitors.
 - B. identify problems.
 - C. evaluate market share.
 - D. analyze economic changes.
34. Which of the following is an example of an unethical practice related to obtaining marketing information about a competitor:
- A. An OQR business associate poses as a security guard at the PRW Corporation's headquarters to obtain information about the corporation's business activities.
 - B. A marketing-research firm conducts a focus group and fails to fully disclose important facts about the way in which the firm will use the participants' feedback.
 - C. BCT Technologies employs staff to search its competitors' web sites and government databases to obtain information about its competitors.
 - D. INV Company sells its mailing list to LMN Industries and the TQS Manufacturing Company without the consent of its customers.
35. A primary advantage of using internal databases to store marketing information is the ability to
- A. prepare formal sales presentations for customers.
 - B. write sales letters, proposals, and promotional copy.
 - C. produce customized questionnaires to post online.
 - D. sort and classify different types of customer information quickly.
36. For legal purposes, a business that collects marketing information from its online customers should
- A. purchase surge-protection insurance.
 - B. develop confidential selling strategies.
 - C. post its privacy policies on its web site.
 - D. store the information at an insecure site.
37. Mara, a marketing researcher, watches customers as they shop for products and writes down her impressions of the customers' behaviors. Mara is gathering _____ data by _____.
- A. secondary, relating
 - B. primary, interviewing
 - C. primary, observing
 - D. secondary, surveying
38. A business conducts marketing research when it needs to solve a problem or when it wants to
- A. analyze financing options.
 - B. increase its sales staff.
 - C. coordinate activities.
 - D. identify a new market opportunity.
39. What type of research would a business conduct if it wanted to identify potential issues or opportunities?
- A. Exploratory
 - B. Experimental
 - C. Descriptive
 - D. Causal
40. The SBU Company developed a survey in which respondents are provided the same number of favorable and unfavorable rating options. This is an example of survey using a _____ scale.
- A. sequential
 - B. continuous
 - C. spliced
 - D. balanced
41. The purpose of asking the participants of a research study to maintain product diaries is to obtain marketing research about consumers'
- A. financial skills.
 - B. viewing preferences.
 - C. essential needs.
 - D. purchasing habits.
42. What type of marketing data can a business obtain by reviewing its inventory reports and customers' invoices?
- A. Customers' credit limits
 - B. Customers' product preferences
 - C. Product quality
 - D. Actual market share

43. To obtain reliable, valid marketing-research data when conducting personal interviews, researchers must make sure that the interviewers are
- A. open, friendly, and nonjudgmental.
 - B. approachable, opinionated, and organized.
 - C. consistent, biased, and aggressive.
 - D. courteous, passive, and distant.
44. Survey respondents indicated that they buy potato chips at the supermarket between three and five times per month. This is an example of
- A. rank.
 - B. mode.
 - C. mean.
 - D. range.
45. The primary reason for developing a marketing-research brief is to
- A. summarize the raw data.
 - B. clarify the purpose of the research.
 - C. identify changes in the marketplace.
 - D. explain the survey's rating scale.
46. An individual returns a marketing-research survey that contains unanswered questions. This is an example of a(n)
- A. mathematical miscalculation.
 - B. interviewer oversight.
 - C. non-response error.
 - D. rating mistake.
47. Which of the following is the component of a questionnaire that guides respondents through the survey process:
- A. Leading questions
 - B. Instructions
 - C. Flow chart
 - D. Coding box
48. What are the characteristics of dissonance-reducing buying behavior?
- A. Expensive, infrequent purchase with high buyer involvement and few perceived differences
 - B. Inexpensive, frequent purchase with low buyer involvement and few perceived differences
 - C. Expensive, infrequent purchase with high buyer involvement and strong brand recognition
 - D. Inexpensive, frequent purchase with low buyer involvement and strong brand recognition
49. In its marketing plan, ROKE Athletic Shoes states that it wants to increase its market share for 25- to 40-year-old professional females by six percent in the next eight months. ROKE's marketing objective is related to
- A. changes in market delivery.
 - B. its target market.
 - C. product.
 - D. promotion.
50. To develop appealing promotional messages for a target audience, a marketer might build a profile of the typical buyer by considering demographic factors such as
- A. personalities, lifestyles, and location.
 - B. lifestyles, attitudes, and income.
 - C. age, gender, and income.
 - D. location, attitudes, and age.
51. What component of a marketing plan might a business use to summarize the results of its situation analysis?
- A. Business plan
 - B. Executive summary
 - C. Market share graph
 - D. SWOT analysis chart
52. When a situation analysis reveals that a competitor's market share has steadily increased over the past year, the Franklin Electronics Company has identified an
- A. internal change.
 - B. internal weakness.
 - C. external threat.
 - D. external strength.
53. To determine the types of information that the business needs to operate, it is often beneficial to
- A. upgrade the computer network.
 - B. obtain employees' input.
 - C. develop a production schedule.
 - D. revise business's goals.

54. 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. Provide clients with information tracking capabilities
 - B. Install anti-virus software to protect the computer network
 - C. Use computer passwords to limit access to certain data
 - D. Require the employee to submit his/her resignation
55. What is the importance of the computer hard drive in a computer system?
- A. It facilitates the computer's audio transmissions.
 - B. It permanently stores the computer program files and data.
 - C. It allows the user to view the computer data.
 - D. It transmits power to other computer devices.
56. What presentation software function allows the user to move and change the order of existing slides?
- A. Transition
 - B. Slide sorter
 - C. Promote paragraph
 - D. Note master
57. Which of the following is an example of a business that is most likely violating a safety regulation:
- A. Porter Manufacturing inspects its production equipment several times a month.
 - B. The Hoffman Supply Company blocks several of its doors with furniture and boxes.
 - C. Ingram Industries stores its combustible products in well-marked storage containers.
 - D. A manager monitors the restaurant to ensure that no more than 200 patrons are in the building.
58. Which of the following is a safety procedure that businesses use to track employees who must evacuate a building during an emergency:
- A. Training an employee to perform CPR if others are injured
 - B. Assigning an employee to change the smoke- alarm batteries
 - C. Requiring employees to call managers when they arrive home
 - D. Designating a central meeting place for all employees
59. Because Kevin worked late Tuesday evening to complete a report, he was the last employee to leave the building. What procedure does Kevin need to perform to protect the building from unlawful entry?
- A. Turn off the lights
 - B. Log off the computer
 - C. Lock the filing cabinet drawers
 - D. Set the security alarm
60. Which of the following is the first step in the bidding process:
- A. Identifying needs
 - B. Developing a request for proposal
 - C. Negotiating terms
 - D. Assessing each bidder's strengths and weaknesses
61. Determine if the following statement is true or false: The primary purpose of quality-control measures is to evaluate employee efficiency levels.
- A. False—the primary purpose of quality-control measures is to evaluate the degree of excellence of goods and services.
 - B. False—businesses also use quality-control measures to evaluate products, processes, and other business functions.
 - C. True—businesses must evaluate their employees' performance to ensure that they are producing high-quality goods and services.
 - D. True—employees perform the work, so they are responsible for developing and implementing product-quality measures.
62. Which of the following is the primary benefit of keeping your personal workspace organized:
- A. Improved leadership skills
 - B. Better interpersonal skills
 - C. Higher efficiency
 - D. Enhanced collaboration

63. Invention involves generating new ideas, and innovation involves
- A. evaluating feasibility.
 - B. submitting proposals.
 - C. selecting options.
 - D. acting on ideas.
64. Which of the following is an example of an employee who is meeting his/her employer's expectations:
- A. Rachel sends a text message to her roommate during a meeting.
 - B. Tom spends the first half hour of the workday chatting with Kate.
 - C. Allison focuses on her work tasks so she can meet her deadlines.
 - D. Calvin tells a customer about his issues with a difficult coworker.
65. Because the company's president was impressed with Ed's willingness to accept additional tasks and carry them out without a lot of direction, s/he promoted Ed to a management position. What personal trait does Ed possess that helped him advance in his career?
- A. Courage
 - B. Initiative
 - C. Self-confidence
 - D. Self-control
66. If a pharmaceutical company sets an unnecessarily high price for a lifesaving drug, it is behaving in a(n) _____ manner.
- A. socially irresponsible
 - B. economically justifiable
 - C. conscientious
 - D. charitable
67. The use of electronically bar-coded price tags on goods has increased the
- A. transportation costs for customers.
 - B. need for businesses to hire additional cashiers.
 - C. number of customer self-checkout stations.
 - D. efficiency levels of pricing software programs.
68. Companies A, B, and C sell similar products. Together, they recently decided to sell their products for the same price. In what unethical activity are the businesses engaging?
- A. Bait-and-switch
 - B. Price fixing
 - C. Loss-leader pricing
 - D. Gray markets
69. A business might reduce a product's price during the growth phase of the product's life cycle because
- A. the product tends to attract early adopters during this phase of the life cycle.
 - B. the business wants to recover its research and development costs.
 - C. it can lower advertising costs since the product has a loyal customer base.
 - D. competitors have introduced similar products to the marketplace.
70. What form of technology helps businesses track their production supplies and resale products in real time?
- A. Cyber-security applications
 - B. Integrated project planning software
 - C. Three-dimensional drum scanner
 - D. Radio frequency identification
71. So that customers can make appropriate buying decisions, product labels should contain
- A. promotional copy.
 - B. testimonials.
 - C. accurate information.
 - D. allowances.
72. After a Korean auto manufacturer built a plant in Ames, Iowa, Kwan noticed a substantial growth of Korean residents in the area, many of whom were relocated to Ames to work for the plant. Kwan decided to import Korean goods and sell them in a small Korean specialty store near town. This is an example of a product opportunity resulting from
- A. advancements in technology.
 - B. changes in travel habits.
 - C. differences in priorities.
 - D. shifts in population ethnicity.
73. A primary role of the facilitator in a group brainstorming session that is generating product ideas is to
- A. lead the debate.
 - B. evaluate each idea.
 - C. encourage participation.
 - D. improve relationships.

74. Which of the following is a factor used for grading products:
- A. Personal recommendations
 - B. Inspection method
 - C. Product contents
 - D. Resource availability
75. What can businesses do to reduce risks associated with personal injuries and product damage due to improper product use?
- A. Provide detailed written instructions
 - B. Offer a service guarantee
 - C. Implement a return policy
 - D. Use recyclable packaging
76. Product bundling is an effective method to sell goods and services because it
- A. provides new products with better exposure than advertising.
 - B. allows businesses to sell unrelated items at the same time.
 - C. creates a sense of value for the customer.
 - D. encourages customers to comparison shop.
77. To gain a competitive advantage, a business carefully selects channel members and trains them to provide customers with superior expertise and service. This business is positioning its products by focusing on
- A. customization.
 - B. product attributes.
 - C. channel differentiation.
 - D. quality at an exceptional value.
78. What does a successful corporate brand communicate and how should it communicate them?
- A. Benefits, consistently
 - B. Motives, vaguely
 - C. Procedures, unusually
 - D. Jargon, ordinarily
79. When positioning a corporate brand, what is a marketer trying to determine by comparing the company's own product attributes with those of the competition?
- A. Causes of risk
 - B. Points of difference
 - C. Areas of concern
 - D. Frames of reference
80. During which stage of the product life cycle should a business focus on the points of difference between its product and its competitors' products?
- A. Growth
 - B. Maturity
 - C. Declining
 - D. Introductory
81. A television commercial for Antonio's Pizza Shop makes the following statement: "Our pizza contains the freshest ingredients around." This is an example of
- A. ambush marketing.
 - B. collusion.
 - C. stealth marketing.
 - D. puffery.
82. When a business sets up a Facebook account to communicate with its existing and potential customers, what technological tool is it using?
- A. Affiliate advertising
 - B. Broadcast media
 - C. Just-in-time marketing
 - D. Social networking
83. What is the government likely to do, if it determines that a company has engaged in deceptive advertising?
- A. Increase the company's sales-tax rate
 - B. Imprison the company's chief executive officer
 - C. Require the company to place corrective advertising
 - D. Rewrite the existing advertising copy

84. Alexandria has been using Look-So-Good cosmetics for several years and would not consider changing brands. In fact, Alexandria likes the cosmetics so much that she has become an advocate for the cosmetic company. She tells everyone about the features and benefits of Look-So-Good products, and encourages them to try the cosmetics. What type of word-of-mouth marketing is Alexandria using?
- A. Shill marketing
 - B. Mobile marketing
 - C. Organic marketing
 - D. Virtual marketing
85. During one scene of a popular television show, an actor pours a box of brand-name cereal into a bowl and begins to eat it. This is an example of
- A. product programming.
 - B. brand awareness.
 - C. brand identification.
 - D. product placement.
86. What interactive communication channel do businesses use to share company information with their various publics?
- A. Faxes
 - B. Blogs
 - C. Publications
 - D. DVDs
87. To maximize the impact of a print advertisement, the headline, copy, graphics, and signature should be coordinated to
- A. include humor.
 - B. convey subliminal messages.
 - C. communicate quality.
 - D. create visual appeal.
88. Which of the following is an activity that is performed by a business's public-relations department:
- A. Developing job descriptions for employees
 - B. Researching and developing product prototypes
 - C. Coordinating speaking engagements for employees
 - D. Selecting media for print and broadcast advertisements
89. A business that wants to obtain a lot of publicity about a new product should send a formal announcement to an external audience, such as the
- A. managers.
 - B. media.
 - C. employees.
 - D. board of directors.
90. What can a business do to attract trade-show attendees to the business's display or booth?
- A. Hold a prize drawing or raffle
 - B. Send product coupons to attendees
 - C. Place business cards on the display table
 - D. Have plenty of seating available
91. A business might choose to participate in a regional trade show instead of a national trade show because regional trade shows
- A. attract more attendees than national trade shows.
 - B. are usually less expensive than national trade shows.
 - C. are usually held at desirable destinations.
 - D. generate a large portion of the business's annual sales income.
92. A business plans to launch a new product in the next year. When developing its promotional plan, the business should
- A. wait to promote the new product until the research and development costs are recovered.
 - B. redirect most of its promotional activities to the new product.
 - C. delay setting an advertising budget until it determines how well the new product performs.
 - D. allocate a portion of its budget to promote the new product.
93. One way that a salesperson can provide customer service after a sale has been made is by
- A. using suggestion selling techniques to increase the order size.
 - B. acquiring knowledge about competitors' products.
 - C. ensuring that the order is processed correctly.
 - D. providing samples so the customer can try the product.

94. When a customer brought back a coffee maker without a sales receipt, Tallman's department store applied the current selling price of the item to a gift card for the customer to use in the store. This is an example of a(n) _____ policy.
- A. discount
 - B. return
 - C. terms-of-sale
 - D. guarantee
95. Which of the following is an example of unethical selling behavior that directly affects employee-to-employee relationships:
- A. The sales staff's commissions are lower after a manager restructures the company's sales territories and sets high quotas.
 - B. A buyer awards a major contract to a construction company after the company's vice president gave the buyer Super Bowl tickets.
 - C. To win a departmental sales contest, a salesperson claims to have processed a sales transaction before it has been formalized.
 - D. A salesperson does not want to lose a sale, so s/he withholds information from a prospect after being questioned about the product's performance.
96. What form of technology are salespeople using that eliminates the need to carry a laptop and personal data assistant while making sales calls?
- A. Pager
 - B. Smartphone
 - C. Micro kiosk
 - D. Router
97. A salesperson says to a customer, "Mr. Michaels, I wouldn't buy from Davenport Electronics. That company buys parts for its products from sweatshops, and the items don't meet safety codes. Its products usually break within six months." In many jurisdictions, the salesperson is violating selling regulations related to
- A. foreign corruption.
 - B. price discrimination.
 - C. business defamation.
 - D. product infringement.
98. A salesperson tells a customer, "Mrs. Wentworth, not only does this e-reader provide you the ability to read and store written literature, but its WiFi capabilities allow you to download and listen to audio books and surf the Internet." What feature-benefit is the salesperson communicating to the customer?
- A. Construction and materials
 - B. Product uses
 - C. Durability
 - D. Appearance and style
99. Which of the following is a question that a salesperson is most likely to ask during the reaching closure phase of a sale:
- A. How can I help you today, Mrs. Watson?
 - B. Will you be using the printer to fax and copy documents?
 - C. Would you like to use your credit card to pay for the camera?
 - D. Would you like me to show you the features of the boat, Mr. Conrad?
100. Because Carlos considered the vehicle's reliability ratings, gas-mileage savings, and warranty before he decided to purchase his new car, his motives were based on
- A. his loyalty to the brand.
 - B. facts.
 - C. his desire for status.
 - D. intuition.

1. C

Within the scope of his/her employment. Under the doctrine of *respondeat superior*, an employer may be held responsible for an employee's tort if the employee's wrongful or harmful actions are related to his/her job. For example, if an employee causes an accident while driving the company's truck to deliver an order, the company can be held liable for damages and injuries resulting from the accident. Although the employer may not know about the accident at the time that it occurred, the employer is likely to be held liable for the accident because the employee was acting on the employer's behalf. Wrongful actions related to work may occur during or after normal working hours. Although the employee's wrongful actions may be related to his/her emotional stress, the employer can still be held liable for the tort as long as the action is related to the employee's job responsibilities.

SOURCE: BL:069

SOURCE: Miller, R.L., & Jentz, G.A. (2006). *Business law today: Standard edition* (7th ed.) [pp. 683-686]. Mason, OH: Thomson Learning.

2. D

Producer to industrial distributor to user. In the example, Loggins is the producer because it grows the trees and mills the timber into usable units. Henderson is the industrial distributor (wholesaler) because it sells smaller amounts of the wood products to users such as the Franklin Construction Company. Franklin uses the wood products to build homes and office buildings. Homes and buildings are sold to the ultimate consumers. Agents are businesses or individuals who assist in the sale and/or promotion of products but do not buy them from the producer. Retailers purchase finished goods to resell to the consumer.

SOURCE: CM:001

SOURCE: CM LAP 2—Channel It (Channels of Distribution)

3. B

Place their orders. Customers want to receive their orders as quickly as possible. Therefore, businesses should take steps to have sufficient levels of items in stock to meet their customers' needs. By doing so, they are providing good customer service. The businesses do not need to have inventory available to answer customers' questions about product specifications, to accept the return of sample products, or to process a quotation request.

SOURCE: CM:002

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [pp. 710-712]. South-Western Cengage Learning.

4. A

Transparency. Technological advancements continue to improve communication among channel members. E-mail, the Internet, and electronic data interchange applications have provided channel members with ways to share information and ideas for better processes, which increases collaboration and transparency. Increased collaboration and transparency has created a spirit of partnership and lowered the competitiveness among channel members. With a willingness to collaborate, channel members work together to streamline ordering and distribution activities, which include a reduction of paperwork and bureaucracy.

SOURCE: CM:004

SOURCE: Monczka, R.M., Handfield, R.B., Giunipero, L.C., & Patterson, J.L. (2009). *Purchasing and supply chain management* (4th ed.) [p. 756]. South-Western Cengage Learning.

5. C

Violates antitrust laws. In the situation, the manufacturer is engaging in exclusive dealing, which is a distribution strategy that forbids dealers from carrying the competitors' products. This strategy is usually considered illegal because it restricts competition. And because the manufacturer holds a majority of the market share, it violates antitrust laws and has the potential to create a monopoly. Exclusive dealing agreements are legal in certain situations such as a franchisor requiring a franchisee to sell only the franchisor's products. There is not enough information to determine if the manufacturer is controlling resale prices. The manufacturer's actions may limit other producers' ability to fairly compete in the market place, but it is not limiting their rights to seek legal recourse.

SOURCE: CM:005

SOURCE: Steingold, F.S. (2004). *Sell your business: The step-by-step legal guide* (pp. 424-425). Berkeley, CA: Nolo.

6. A

Use appropriate promotional techniques to inform channel members. Promotion is a critical consideration when introducing a new product because this function lets channel members and customers know that the good or service is available. The promotional efforts should be carefully planned and coordinated with the product's release. For example, a manufacturer might provide catalogs, brochures, coop-advertising funds, and product training to its intermediaries (e.g., dealers, wholesalers) before the product is released so that the intermediaries can explain the products to their customers or end users. Some channel members (e.g., retailers) might need to coordinate promotion so that newspaper and television advertising or special events are appropriately timed with the product's arrival on the stores' shelves. If the communication between a manufacturer and its intermediaries is already very good, the manufacturer needs to continue using good communication rather than improve it. Applying for a line of credit is a financial consideration. Ethics policies must not only be established, but they must be communicated to the appropriate people or organizations.

SOURCE: CM:007

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 10-11, 12-17, 44-45]. Upper Saddle River, NJ: Prentice-Hall.

7. C

Providing training programs. Positive channel relationships require collaboration among channel members. Collaboration involves sharing relevant information, setting mutually-beneficial goals, and developing a team-oriented attitude. Channel leaders have the most power or leverage in the channel, and can implement tactics to foster positive relationships. Providing channel members with product training programs helps channel members be successful in selling the products. Encouraging a competitive culture among channel members, using aggressive tactics, and selling directly to end users are more likely to create conflict and have a negative impact on channel relationships.

SOURCE: CM:008

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 488-489]. Upper Saddle River, NJ: Pearson Prentice Hall.

8. C

Credibility of the sources. When identifying sources that provide relevant, valid written material, the researcher evaluates a variety of factors, including the credibility or believability of the source. If the writer provides feasible supporting evidence to back up an opinion, outcome, or claim, the researcher may determine that the source is credible. Other considerations are the timeliness of the data or article, the relevance of the information to the topic at hand, and the expertise of the writer or publisher. Readability of the text involves the reader's ability to understand the content. If the researcher is evaluating a research study, s/he might analyze the margin of error of certain types of data as one factor in determining a source's credibility.

SOURCE: CO:054

SOURCE: Young, D.J. (2006). *Foundations of business communication: An integrative approach* (pp. 293, 494). New York: McGraw-Hill/Irwin.

9. D

Thank you for your interest in XWQ products. Please let me know if you have any additional questions. The purpose of an inquiry is to obtain information. Because businesses receive inquiries from customers, vendors, and business associates on a regular basis, employees must be prepared to respond in an accurate, prompt, and courteous manner. When closing an e-mail message, it is courteous to thank customers for asking about the business and its products. And, by encouraging the customer to ask additional questions, the employee is indicating his/her interest in the customer. There is not enough information in the example to determine if the customer placed an order, had a problem with an invoice, or requested product color information. The sentence, "Reply by e-mail with the color that you want," could be interpreted as rude and unprofessional.

SOURCE: CO:060

SOURCE: Leskiar, R.V., & Flatley, M.E. (2005). *Basic business communication: Skills for empowering the Internet generation* (10th ed.) [pp. 122-123]. Boston: McGraw-Hill/Irwin.

10. A

By site location. When preparing reports, you should organize the content in the way that will make the most sense to the reader. In the example, the supervisor is asking for a status report for different offices, which indicates that the supervisor will likely want to scan the information by location to quickly review the status of each office or site. Another way to organize the information might be by listing each activity (e.g., advertising, sales) with each site's status included in each activity; however, this format may be cumbersome and difficult to determine each site's status at a glance. Presenting facts in chronological order involves describing the steps or historical events in the sequence in which they occur. Reverse sequence involves describing the steps or historical events in the opposite order.

SOURCE: CO:086

SOURCE: Blake, G. (2002, August). *How to organize information*. Retrieved December 20, 2010, <http://www.irmi.com/expert/articles/2002/blake08.aspx>

11. A

Complex research report. The executive summary provides an overview of the entire document and contains the most important information included in the body of the report. Executive summaries are often included in long, complex reports that contain a lot of information. By reading the executive summary, the reader can determine which section of a long report that s/he wants to read in more detail. A six-page case study, an employee handbook, and a manuscript outline do not require an executive summary.

SOURCE: CO:091

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 474]. Upper Saddle River, NJ: Pearson Prentice Hall.

12. A

Work in different cities. Telephone conferences are efficient ways to hold meetings for people who are in different locations. Telephone conferences allow for immediate verbal communication. The job function of telephone conference participants is not relevant. A video conference is an ideal way to have a meeting that requires the use of visual aids for employees in remote locations. Text messaging is not as efficient as telephone conferencing when multiple people are involved.

SOURCE: CO:092

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 100-101]. Upper Saddle River, NJ: Pearson Prentice Hall.

13. A

Using humor. Because Germans tend to be very formal and serious about their business, they do not find it appropriate to use humor during business situations. It is appropriate to use titles, shake hands, and make eye contact with Germans in business situations. These behaviors are respectful to Germans.

SOURCE: CR:019

SOURCE: Priest, M. (n.d.). *Germany: Behavior*. Retrieved December 22, 2010, from <http://www.cyborlink.com/besite/germany.htm>

14. C

Henderson Photography...uniquely capturing your special moments is our priority. The brand promise is a company's agreement (spoken or unspoken) with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. Henderson Photography tells you exactly what you can expect every time you purchase its services—unique photos to capture special moments. Fred's Furniture is offering sale prices for a limited time. The business offering credit terms to qualified customers has also placed time restrictions on its offer and has limited the offer to some rather than all customers. Rather than a brand promise, the businesses are using promotion. Cup O' Joe's is communicating the convenience of having four locations.

SOURCE: CR:001

SOURCE: Hinge. (2010). *Elements of a successful brand 4: Brand promise*. Retrieved December 17, 2010, from http://hingemarketing.com/library/article/elements_of_a_successful_brand_4_brand_promise/?pivot/archive/2007-06/index.html

15. B

Specialization by work task. Most often associated with large businesses and government agencies, bureaucracies tend to have formal rules and strictly adhere to a hierarchical management structure. Decision making is usually made by top-level management. Machine bureaucracies provide simple, stable work environments that involve standardized work processes or specialization by work task—such as production-line workers who assemble goods in manufacturing plants. This organizational structure works well for mass-production companies (manufacturers) and organizations (insurance) that provide services to mass markets. An adhocracy organizational structure uses work-teams to create new processes. Technology-based businesses, such as Google, often operate as an adhocracy. Matrix organizational structures tend to share resources. Frequently, employees with certain skills will be assigned different types of projects based on the organization's needs.

SOURCE: EC:103

SOURCE: Griffin, R.W., & Moorhead, G. (2010). *Organizational behavior: Managing people and organizations* (9th ed.) [pp. 452-454]. Mason, OH: South-Western Cengage Learning.

16. D

Develop contingency plans. When an organization actively considers "what-if" and "worst-case scenarios," it is in a better position to quickly adapt to changes because it has anticipated how it will react under different circumstances—the business contingency plans are in place. To develop effective contingency plans, businesses often ask for and consider their employees' input. Obsolescence is a state of being out-of-date or old-fashioned. Businesses that do not keep up to date with their target markets' needs and wants are likely to fail. Updating product information is not a way to adapt quickly to changes in the marketplace; rather, it is an activity that communicates current information about the company's offerings.

SOURCE: EC:107

SOURCE: Leins, T. (2010, January 11). *Adapt & survive! How to keep your business ahead of the pack*. Retrieved December 16, 2010, from <http://ezinearticles.com/?Adapt-and-Survive!-How-to-Keep-Your-Business-Ahead-of-the-Pack&id=3555713>

17. C

Gasoline and cigarettes. An excise tax is often referred to as a "sin tax," and it is levied on nonessential products such as gasoline, cigarettes, alcohol, and luxury cars. An estate tax is a tax on inherited items. Jurisdictions levy property taxes on land and buildings, such as apartment buildings and single-family homes. Milk and cheese are usually not taxed, but may incur a sales tax in some jurisdictions.

SOURCE: EC:072

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 381-382). New York: Glencoe/McGraw-Hill.

18. C
Tight money supply. Many factors affect interest rates, including business cycles, consumer spending, inflation, and the money supply. If the money supply is low or tight, there is less money available to lend. This causes interest rates to increase. The government might implement policies to tighten the money supply when the rate of inflation rapidly increases. When investment spending increases, the money supply is usually loose, so interest rates are lower—it is cheaper for businesses and individuals to borrow money. During a recession, businesses are not expanding, unemployment increases, and consumer spending decreases. Because a recession negatively affects the economy, the government may implement policies that lower interest rates to stimulate commercial growth and consumer spending.
SOURCE: EC:084
SOURCE: O'Sullivan, A., & Sheffrin, S.M. (2003). *Economics: Principles in action* (pp. 430-431). Upper Saddle River, NJ: Prentice Hall.
19. D
\$302.05. An exchange rate is the value of a country's currency in relation to other countries' currency values. Exchange rates fluctuate on a regular basis. Businesses monitor these changes because dramatic changes in currency values can affect their profits. To calculate the amount that you would pay in Canadian dollars, multiply the iPhone price in U.S. dollars by the value of the Canadian dollar ($\$299 \times 1.01018 = \302.04382 or $\$302.05$).
SOURCE: EC:100
SOURCE: XE. (2010). *Universal currency converter*. Retrieved December 17, 2010, from <http://www.xe.com/ucc/convert.cgi?Amount=265.00&From=USD&To=CAD&x=57&y=16>
20. A
Subculture. A dominant culture is the culture with which a person most identifies. Because Sean was born and raised in Quebec, he likely identifies with the Canadian culture. A subculture is a secondary group within a dominant culture. Because Sean's grandparents are from Ireland, Sean has likely been exposed to and identifies with many Irish traditions, making his Irish heritage his subculture. Standard is a not type of culture.
SOURCE: EI:033
SOURCE: EI LAP 11—Getting To Know You (Cultural Sensitivity)
21. B
Discussing specific product-development processes with external business sources. It is unethical to knowingly discuss private information. Employees who have knowledge of their employers' special processes or trade secrets should not discuss this confidential information with others. If a competitor gets the confidential information, it could be very costly to the business. Using passwords to limit access to confidential information, providing employees with guidelines for appropriate behavior, and implementing whistle-blowing procedures are ethical business actions.
SOURCE: EI:038
SOURCE: Hornick, J.F. (2004, July/August). *Trade secrets: What your company needs to know*. Retrieved December 21, 2010, from <http://www.finnegan.com/resources/articles/articlesdetail.aspx?news=da61016e-392f-4535-a854-f5b1e3fee55e>
22. C
Stress. Stress is a mental, physical, or emotional feeling of pressure or tension. When individuals do not effectively manage their stress levels, their work productivity tends to decrease, and they often experience burnout and develop health problems. Individuals can combat stress by getting plenty of rest, using relaxation techniques, and exercising on a regular basis. Running is one of many ways to achieve the health-related benefits of exercise. Exercise can help individuals feel relaxed and focused, which greatly reduces stress. When individuals manage their stress, they can better manage their time and work activities and achieve their goals.
SOURCE: EI:028
SOURCE: Dalton, M., Hoyle, D.G., & Watts, M.W. (2006). *Human relations* (3rd ed.) [pp. 503-504]. Mason, OH: South-Western Cengage Learning.

23. B
Performance recognition. Recognizing an individual's contribution to the well-being of the business is an effective motivational technique. Sometimes, all it takes is a simple “thank you” to motivate employees to continue performing their jobs well. The example does not indicate that Sophie has received an award or has improved her job performance. Feed-forward communication involves obtaining suggestions for improving performance or achieving goals.
SOURCE: EI:059
SOURCE: DuBrin, A. (2010). *Leadership: Research findings, practice, and skills* (6th ed.) [pp. 294-297]. Mason, OH: South-Western Cengage Learning.
24. C
Personal interactions. There are different types of situations that require adaptability. Because you tend to communicate differently with your teachers, work supervisors, family, and friends, you are showing your adaptability in relation to your personal interactions. People tend to exhibit more formal behavior with their teachers and supervisors and are more relaxed and informal with family and friends. Adaptability is also required when you encounter unfamiliar or unexpected conditions (e.g., encountering hazardous driving conditions), resource availability issues (e.g., substituting one item with another item), and planned changes (e.g., getting married).
SOURCE: EI:006
SOURCE: QS LAP 15—Stuff Happens! (Adaptability)
25. C
Be open to new ideas. Building collaborative relationships among coworkers is essential to the success of a business. When employees are willing to collaborate with one another, they are more likely to help the business achieve its overall goals. Collaboration involves working together to solve problems, showing respect and empathy, and being open to new ideas that may improve the business's processes. Collaboration doesn't mean that employees must agree with every idea that is presented to them, but it does involve flexible thinking, understanding, and an appreciation for others' contributions. Not all employees have the authority to delegate responsibilities.
SOURCE: EI:061
SOURCE: DuBrin, A.J. (2004). *Leadership: Research findings, practice, and skills* (4th ed.) [pp. 261, 340-341]. New York: Houghton Mifflin.
26. A
File a judicial lien. A lien is a legal claim to an item of property that protects the seller if the buyer does not complete his/her payments. If a debtor does not make payments as promised, the lender can take legal action to obtain the debtor's assets or items of collateral, such as a home, car, etc. The debtor, rather than the lender, may need to liquidate assets to fulfill her/his legal obligation to the lender. If the debtor doesn't have any assets, s/he may need to file for bankruptcy. Defamation involves writing or saying something that damages an individual's or an organization's reputation.
SOURCE: FI:063
SOURCE: Miller, R.L., & Jentz, G.A. (2005). *Fundamentals of business law* (6th ed.) [pp. 419-420]. Mason, OH: Thomson/South-Western.
27. B
Health insurance. Payroll deductions are monies that an employer withholds from an employee's gross earnings. A large portion of the deductions is the various income taxes, which the employer pays to the government on behalf of the employee. Other deductions might include health insurance premiums, voluntary savings, and child-support payments. Net pay is the amount the employee receives in his/her paycheck after the deductions have been subtracted from the gross earnings. Gross earnings are income before deductions. Overtime hours are the number of hours an employee works over his/her regular schedule. Pay rate is the amount of pay a worker earns at a set interval (e.g., an hour).
SOURCE: FI:068
SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 612-613). New York: Glencoe/McGraw-Hill.

28. C
Monitor your credit and bank accounts continuously. By reviewing your credit-card statements and your bank accounts on a regular basis, you are more likely to detect credit purchases or bank withdrawals that you did not make. If unauthorized transactions have occurred, you can quickly close accounts to stop identity thieves from accessing your accounts. Other things you can do to protect yourself from identity theft is to use different passwords for each of your online accounts, and use secure web sites when paying bills and shopping online. Not all online sites are secure. You should use the same caution with your debit card as you do with your credit accounts and other bank accounts.
SOURCE: FI:073
SOURCE: Federal Trade Commission. (n.d.). *About identity theft*. Retrieved December 21, 2010, from <http://www.ftc.gov/bcp/edu/microsites/idtheft/consumers/about-identity-theft.html>
29. B
Marley and Winston Commercial Bank. Commercial banks provide a variety of financial services for businesses and individuals, such as checking and savings accounts, loans, credit cards, and overdraft protection. Investment banks primarily work with corporations by underwriting securities, aiding in mergers and acquisitions, etc. CPA (Certified Public Accountant) firms provide accounting services. A brokerage firm buys and sells securities on behalf of investors.
SOURCE: FI:075
SOURCE: WebFinance. (2010). *Commercial bank*. Retrieved January 6, 2011, from http://www.investorwords.com/955/commercial_bank.html
30. D
Professional integrity. Demonstrating integrity involves adhering to an established set of personal ethics and sound moral principles. Ethics are the basic principles that govern an individual's behavior. The role of ethics in accounting is to serve as a guide for professional conduct. This is important because accounting involves keeping and interpreting financial records, which managers and stakeholders use to make decisions about the business. Therefore, accounting professionals must demonstrate professional integrity to ensure that the information they collect and present is accurate and objective. Although innovation, collaboration, empathy, and flexibility are admirable traits, preparing accurate and objective financial information does not require accounting professionals to demonstrate these characteristics.
SOURCE: FI:351
SOURCE: eNotes. (2010). *Ethics in accounting*. Retrieved December 22, 2010, from <http://www.enotes.com/business-finance-encyclopedia/ethics-accounting>
31. D
Financial planner's primary motive is to earn a large commission. Financial planners have the responsibility to act in their clients' best interest. If a financial planner advises a low-risk taking client to invest in a high-risk investment so the financial planner can earn a high commission, the financial planner is not acting in the client's best interest and is behaving unethically. If the client wants to make a high-risk investment after the planner provides appropriate information and counseling (reviewing terms and conditions), the financial planner is acting ethically. Many types of investments delay taxation and are ethical and legal.
SOURCE: FI:355
SOURCE: Federwisch, A. (2006, October). *Ethical issues in the financial services industry*. Retrieved December 30, 2010, from <http://www.scu.edu/ethics/practicing/focusareas/business/financial-services.html>
32. B
To recruit employees. Businesses often post job openings with online employment services such as Monster.com and CareerBuilder.com. Employment seekers can review the job descriptions and apply for the posted positions that are online. Then, the businesses review the applicants' résumés and set up interviews with the qualified candidates. Training occurs after hiring a qualified candidate.
SOURCE: HR:412
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Entering the world of work* (pp. 67, 157). New York: Glencoe/McGraw-Hill.

33. B
Identify problems. Marketing information is data available inside (internal) and outside (external) the business. Internal marketing information that businesses monitor include inventory reports, customers' sales records, customers' feedback from surveys, etc. Comparing current and past marketing information can often reveal problems, such as a sudden drop in sales of a particular product. A drop in sales may indicate that the business needs to provide new or improved products or increase promotional efforts. Businesses need to review various forms of external marketing information to effectively investigate competitors, evaluate market share, and analyze economic changes.
SOURCE: IM:012
SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 98]. Upper Saddle River, NJ: Prentice-Hall.
34. A
An OQR business associate poses as a security guard at the PRW Corporation's headquarters to obtain information about the corporation's business activities. It is legal for businesses to monitor their competitors by analyzing public information posted on web sites and in databases; however, some businesses have gone to great lengths to obtain "dirt" on their competitors in unethical ways. Planting spies in competitors' offices and sifting through competitors' trash are extreme and unethical actions that some businesses have used to gather information about their competitors' business activities. A failure to disclose information to focus group participants is unethical but does not involve information about the competition. Selling a mailing list to a third party without consent is an unethical action that affects a business's customers.
SOURCE: IM:025
SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 99-100]. Upper Saddle River, NJ: Prentice-Hall.
35. D
Sort and classify different types of customer information quickly. A database is a collection of information that a business stores in its computer system. Many businesses store information about their customers in databases, such as their purchasing histories and contact and shipping information. Businesses have the ability to sort different types of information, which they can use to carry out a variety of functions. For example, a business might want to send promotional literature to customers working or residing in a certain zip code. By setting queries within the computer database, the business can quickly obtain the names and addresses of customers who meet the criteria. Businesses often use online survey services to produce and post questionnaires. Businesses use word-processing software to write sales letters, proposals, and promotional copy. Businesses use presentation software to prepare visual aids for sales presentations.
SOURCE: IM:183
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 199, 594-595). Woodland Hills, CA: Glencoe/McGraw-Hill.
36. C
Post its privacy policies on its web site. Privacy policies are a business's guidelines about how it maintains and uses its customers' information such as credit, purchasing habits, and addresses. In order to protect consumers' privacy, governments often legislate how businesses can obtain and use customer information. Jurisdiction refers to the authority (e.g., location, subject matter) a court has to resolve a legal issue. For example, one state, province, or country may require a business to disclose to customers that it allows third parties access to certain customer information, while another state, province, or country may not have the same law. Therefore, businesses should post their privacy policies on their web sites to reduce the risk of lawsuits that may be initiated by customers in other jurisdictions. Storing information at an unsafe site is a poor business practice and may be grounds for a lawsuit in some jurisdictions. A surge protector is a device that individuals and businesses use to prevent excessive bursts of electricity from damaging computers. Some insurance companies provide businesses with insurance to cover losses associated with power surges. Selling strategies are the plans of action for the selling function, which do not always affect consumers' privacy.
SOURCE: IM:419
SOURCE: ConsumerPrivacyGuide.org. (n.d.). *Your privacy protection under the law*. Retrieved September 7, 2010, from <http://www.consumerprivacyguide.org/law/>

37. C
Primary, observing. Primary data are facts that are collected specifically for a problem or project at hand. The observation method is one way to obtain primary data, and it involves gathering data by watching consumers. A business or marketing-research firm may use the observation method to gather data about customers' shopping and buying habits. Interviewing and surveying are marketing-research methods that involve asking consumers questions to learn their opinions and the reasons behind those opinions. Interviews are usually conducted in person or on the telephone, and surveys are usually presented to consumers in a written document or by e-mail. Secondary data are facts that have been collected for purposes other than the project at hand. Relating is not a marketing-research method.
SOURCE: IM:281
SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 181-185]. Boston: McGraw-Hill/Irwin.
38. D
Identify a new market opportunity. Marketing research is the systematic gathering, recording, and analyzing of data about a specific issue, situation, or concern. To remain competitive in the marketplace, businesses conduct marketing research. One way to remain competitive in the marketplace is to identify, select, and distribute products to a new market segment, whose identification requires marketing research. If the business finds that a new market opportunity is feasible, it might decide to increase its sales staff, coordinate new marketing activities, or analyze financing options. Analyzing financing options is a business activity rather than a marketing-research activity.
SOURCE: IM:282
SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [pp. 14, 52]. Mason, OH: South-Western Cengage Learning.
39. A
Exploratory. Businesses conduct exploratory research for discovery purposes. This type of research helps the business define a marketing issue, situation, opportunity, or concern. Causal research is a type of marketing research that focuses on cause and effect and tests "what if" theories. Causal research involves conducting experiments, which involves manipulating one or more independent variables and examining the outcome. Descriptive research involves gathering specific information related to a specific issue, situation, or concern.
SOURCE: IM:284
SOURCE: Zikmund, W.G., & Babin, B.J. (2010). *Exploring marketing research* (10th ed.) [pp. 50-51]. Mason, OH: South-Western Cengage Learning.
40. D
Balanced. Marketing researchers can use many types of itemized rating scales on a survey. An Itemized scale provides respondents with a set of options from which they must choose an answer. A balanced itemized scale provides an equal number of favorable responses (e.g., extremely satisfied, satisfied) as it does unfavorable responses (e.g., dissatisfied, extremely dissatisfied). A continuous scale is a type of non-comparative scale that allows respondents to place a slash mark on a line that is bounded by two opposite variables (e.g., the worst; the best). Spliced and sequential are not types of survey rating scales.
SOURCE: IM:286
SOURCE: Malhotra, N.K. (1999). *Marketing research: An applied orientation* (3rd ed.) [pp. 275-276]. Upper Saddle River, NJ: Prentice Hall.

41. D
Purchasing habits. To learn about consumers' purchasing habits for certain products, marketing researchers conduct surveys that require participants to log various types of information in a central location, which they refer to as a product diary. Over an extended period of time, participants fill out the diary, which is often a preprinted booklet containing detailed instructions. The diary might require the participants to write down where certain items and brands were purchased, why particular items were selected, etc. Although the product diaries might reveal information about the participants' financial-management skills and their essential needs, researchers do not always need to evaluate this data. To determine viewing (television) preferences, marketing researchers conduct studies using media-use diaries.
SOURCE: IM:287
SOURCE: Kent, R. (1999). *Marketing research: Measurement, method and application* (pp. 63-64). London: International Thomson Business Press.
42. B
Customers' product preferences. Internal records provide businesses with information about their customers' buying habits and product usage. By reviewing inventory reports, a business can determine which products are selling well and which products are moving slowly. This information may prompt the business to phase out the slow moving product and increase promotional efforts for the products that are selling well. Customers' invoices provide information about an individual customer's buying preferences and habits. For example, invoices might reveal that certain customers buy a certain quantity of a particular product four times a month. By knowing this type of information, the business can customize promotions for its customers and take steps to ensure that it has sufficient product on hand when it is needed. Financial reports provide information about customers' credit status and limits. Customer invoices do not provide information about a product's level of quality. Businesses need to analyze industry and competitors' data and compare them with internal data to evaluate its market share.
SOURCE: IM:184
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 594-595). Woodland Hills, CA: Glencoe/McGraw-Hill.
43. A
Open, friendly, and nonjudgmental. A personal interview is one way to collect a lot of detailed, qualitative marketing-research data. When marketing researchers conduct interviews, it is important for them to make the interviewees feel comfortable and willing to talk openly about the topic at hand. To do this, the interviewers must be open, friendly, and nonjudgmental. They should also be approachable, organized, courteous, and conduct the interviews in a consistent way. If an interviewer is opinionated, biased, aggressive, passive, or distant, the interviewee may not feel comfortable enough to talk honestly.
SOURCE: IM:418
SOURCE: Shao, A. (2002). *Marketing research: An aid to decision making* (2nd ed.) [pp. 161-162]. Mason, OH: South-Western.
44. D
Range. Range is the distance between the smallest and largest value in a set of responses. In the example, three was the smallest number of potato-chip purchases per month and five was the largest number potato-chip purchases per month. The mean or average is the sum of all of the responses divided by the number of options provided. Mode is the most common value in a set of responses to a question. Rank involves placing options in order of importance in relation to one another.
SOURCE: IM:191
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 170-171). Woodland Hills, CA: Glencoe/McGraw-Hill.

45. B

Clarify the purpose of the research. A marketing-research brief is a proposed plan for approaching the marketing-research study. The brief defines or clarifies the issue or problem, states the objectives of the study, and suggests ways in which to approach the research process. Marketing researchers collect raw data after developing the marketing-research brief. Identifying changes in the marketplace may be a purpose for conducting the research. The research process may or may not involve conducting a survey.

SOURCE: IM:290

SOURCE: B2B International. (n.d.). *The art of the brief*. Retrieved August 20, 2010, from <http://www.b2binternational.com/article17.html>

46. C

Non-response error. Errors can occur during any phase of the marketing-research process and can affect the validity of the results. A non-response error occurs when a member of the sample population does not answer all of the questions in a survey. Respondents fail to answer questions for many reasons—they may not understand the question, they may feel uncomfortable answering the question, or they may not see the question on the survey. Unanswered questions on a survey are not examples of interviewer oversight, mathematical miscalculation, or rating mistakes.

SOURCE: IM:292

SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [pp. 149-150]. Mason, OH: South-Western Cengage Learning.

47. B

Instructions. Instructions are written directions that advise respondents on how to complete the questionnaire; the instructions guide them through the survey process. Instructions are especially important if the questionnaire is long and contains branching questions, which are questions that direct respondents to another section of the questionnaire, if they provide a certain answer. Instructions help ensure that all of the respondents complete the questionnaire in the same manner. Questionnaires should avoid the use of leading questions because these tend to influence the respondents' answers, which creates bias. Researchers do not place flow charts and coding boxes on questionnaires to guide the respondents through the survey process.

SOURCE: IM:293

SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [p. 284]. Mason, OH: South-Western Cengage Learning.

48. A

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

SOURCE: MK:014

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [pp. 145-147]. Upper Saddle River, NJ: Prentice-Hall.

49. B
Its target market. A comprehensive marketing plan addresses many different types of marketing objectives such as promotions, channels of distribution, product development, and target market. ROKE set a specific, measureable, and time-bound goal to increase its market share for a specific target market—25- to 40-year-old professional females. Objectives that address changes in market delivery relate to the channels of distribution or place. Product objectives involve the business's goods and services (e.g., product development). Promotion objectives are goals that address the ways in which the business communicates information about its goods and services to its target market.
SOURCE: MP:001
SOURCE: MP LAP 2—Pick the Mix (Nature of Marketing Strategies)
50. C
Age, gender, and income. To attract the target market, marketers must create images that appeal to the audience. One technique that marketers use to create a connection with their customers is to build a customer profile of the typical buyer. Although the profile depicts a fictitious person, it provides a frame of reference for the promotion. Developers consider many factors when creating a buyer profile, including demographics. Demographics are the physical and social characteristics of the market and include considerations such as age, gender, and income. The profile may also include information about the typical buyer's location, which is a geographical factor. Psychographics, which include considerations such as lifestyles, attitudes, and personalities, are also factors that influence the profile's make-up.
SOURCE: MP:003
SOURCE: Wells, W., Burnett, J., & Moriarty, S. (2003). *Advertising principles and practice* (6th ed.) [pp. 192-193]. Upper Saddle River, NJ: Prentice Hall.
51. D
SWOT analysis chart. The marketing plan is a set of procedures or strategies for attracting the target market to a business. A component of the marketing plan is the situation analysis—a determination of a business's current marketing situation, which includes an analysis of its goals, finances, target market, market share, etc. A situation analysis helps the business detect the things that it is doing well and things that it needs to do better. Preparers of the marketing plan may summarize the results of the situation analysis in a SWOT analysis chart, which provides a graphic depiction of the business's current strengths, weaknesses, opportunities, threats. The marketing plan is often a component of a company's overall business plan. The executive summary serves as an introduction to the marketing plan.
SOURCE: MP:007
SOURCE: MP LAP 1—A Winning Plan (Nature of Marketing Plans)
52. C
External threat. A situation analysis is a determination of a company's current business situation and the direction in which the company is headed. The situation analysis is an important aspect of the marketing plan and is often summarized in a SWOT analysis chart. By identifying its internal and external strengths, weaknesses, opportunities, and threats, the company can implement strategies to improve a weakness or threat, as well as act on an opportunity or strength. When a competitor is gaining market share, the company has identified a threat from outside the company. This means that a competitor is reaching more of the target market and may take customers from the company. The situation analysis has not revealed an internal weakness, internal change, or external strength.
SOURCE: MP:008
SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 43-44]. Upper Saddle River, NJ: Pearson Prentice Hall.
53. B
Obtain employees' input. Because employees perform the work, they know what types of information they need to complete their tasks efficiently. Employees often have ideas about improving work processes and retrieving needed information. Upgrading the computer network, developing a production schedule, and revising business goals will not help businesses assess their information needs.
SOURCE: NF:077
SOURCE: Duggan, T. (n.d.). *How to identify business IT needs*. Retrieved December 30, 2010, from <http://smallbusiness.chron.com/identify-business-needs-351.html>

54. C

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

SOURCE: Pruitt, S. (2008, March 7). *How to secure customer data from your employees*. Retrieved December 30, 2010, from <http://www.allbusiness.com/technology/software-services-applications-online/7310538-1.html>

55. B

It permanently stores the computer program files and data. The hard drive is the component of the computer's central processing unit (CPU) that stores the computer's program files and inputted data. A sound card is a device that transmits sound waves through the computer so the user can hear audio elements. A computer monitor allows the user to view the computer data. The power supply transmits power to other computer devices (e.g., printer) so they can operate.

SOURCE: NF:084

SOURCE: Computer Knowledge For You. (n.d.). *Computer components knowledge*. Retrieved January 13, 2009, from http://www.computerknowledgeforyou.com/computercomponents/computer_components.htm

56. B

Slide sorter. Presentation software programs allow users to present information by combining graphics, text, animation, photographs, and sound. Presentation software is used in business to create slide programs to support oral presentations. The slide sorter function allows you to view thumbnails of existing slides and move them around to different sections of the presentation. The transition function allows users to select different effects to move from one slide to the next slide. Promote paragraph is a function that allows users to move sub points, and bullet points to higher positions (e.g., sub points to bullet points or bullet points to titles) in the slide text. The note master function allows the user to create speaking notes from the slide text.

SOURCE: NF:008

SOURCE: Russell, W. (2010). *Slide sorter view*. Retrieved December 21, 2010, from http://presentationsoft.about.com/od/s/g/slide_sorter.htm

57. B

The Hoffman Supply Company blocks several of its doors with furniture and boxes. Businesses are required to follow various laws to ensure the safety of their employees, customers, and visitors. Most jurisdictions have laws that prohibit businesses from placing items such as furniture, supplies, and other items in front of exits. Blocked exits make it difficult for people to evacuate if an emergency (e.g., fire) occurs. Inspecting production equipment, storing products in appropriate containers, and monitoring building occupancy rates are legal activities.

SOURCE: OP:004

SOURCE: OSHA *self-inspection checklist: Safety and health program*. (n.d.). Retrieved December 22, 2010, from <http://www.hunterconsulting.com/SAFETYANDHEALTHPROGRAM.pdf>

58. D
Designating a central meeting place for all employees. Businesses must be prepared for unexpected situations such as fires and bomb threats. Evacuation plans are procedures that help businesses handle emergencies in ways to keep employees safe. Businesses designate a central meeting place to take a “head count” to ensure that all employees are out of danger. As part of the evacuation plan, management may assign certain employees to conduct the head count of department members. If someone does not arrive at the meeting place, the coordinator can report the information to the appropriate person and take steps to locate the missing person. Changing smoke-alarm batteries and CPR training are not activities that will help businesses track the whereabouts of their employees during an emergency. Employees may not be able to communicate by phone with their managers during emergencies; therefore, employees should not go home until they report to their central meeting place and check in with their designated emergency coordinator.
SOURCE: OP:010
SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 409-410]. Tinley Park, IL: Goodheart-Willcox Company, Inc.
59. D
Set the security alarm. To reduce the risk of theft, businesses develop procedures for their employees to follow when closing a facility at the end of a work shift. The two most important actions that employees must follow are setting the security alarm and locking the doors. Logging off the computer, locking filing cabinet drawers, and turning off the lights will not protect the building from thieves and burglars.
SOURCE: OP:152
SOURCE: Kimiecik, R.C., & Thomas, C. (2006). *Loss prevention in the retail business* (pp. 48-51, 60-61). Hoboken, NJ: John Wiley & Sons.
60. A
Identifying needs. The first step in the bidding process is identifying needs. For example, if a business wants to upgrade its computer system, it must determine the software it needs for employees to perform various business functions. After identifying needs, the business can develop a request for proposal (RFP) to send to potential vendors or contractors. The RFP summarizes the details about the business's needs, bid requirements, and deadlines. After the business obtains the bids, it can assess each bidder's strengths and weaknesses. Then, the business selects and negotiates terms with the vendor.
SOURCE: OP:160
SOURCE: Mind Tools. (1996-2010). *Request for proposal documents: Getting better terms with a competitive bidding process*. Retrieved December 30, 2010, from http://www.mindtools.com/pages/article/newPPM_79.htm
61. B
False—businesses also use quality-control measures to evaluate products, processes, and other business functions. Quality control is ensuring the degree of excellence of a good, service, process, or activity. Efficiency levels are one measure that evaluates a variety of business processes and activities, including employee efficiency levels. If employees are not performing as efficiently as they could, there could be a problem with equipment, a process, or a procedure. Governments, industries, and management develop product-quality standards.
SOURCE: OP:163
SOURCE: Madison, N., & Foster, N. (2010, December 14). *What is quality control?* Retrieved December 30, 2010, from <http://www.wisegEEK.com/what-is-quality-control.htm>
62. C
Higher efficiency. When your workspace is neat and organized, you are more likely to work efficiently because you can quickly find the tools and information that you need to perform your job duties. If your workspace is in disarray, it is often more difficult to find what you need when you need it, which can reduce your efficiency. When your workspace is orderly and as you work more efficiently, you may have more time to collaborate with others and improve other types of skills, if you desire to do so.
SOURCE: PD:009
SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [p. 300]. Mason, OH: South-Western Cengage Learning.

63. D
Acting on ideas. Invention occurs when the idea for the product or process first comes to mind. Innovation occurs when the idea becomes reality by actually creating a product or implementing or improving a process. Evaluating the feasibility of an idea, submitting proposals, and selecting an idea (option) to carry out are steps that occur between invention and innovation.
SOURCE: PD:126
SOURCE: Gurel, O. (2007, September 18). *Innovation vs. invention: Knowing the difference makes a difference*. Retrieved December 15, 2010, from <http://wistechnology.com/articles/4184/>
64. C
Allison focuses on her work tasks so she can meet her deadlines. Businesses have basic expectations regarding their employees' behavior in the workplace. Employers expect employees to arrive at work on time; perform their work accurately and efficiently; be honest; and exhibit respect for coworkers, and customers, and company property. Because Allison is focused on her work and strives to meet her deadlines, she is meeting her employer's expectations. Engaging in idle chitchat and texting during a meeting are disrespectful actions that waste the company's time and money. Confiding in a customer about problems with coworkers is inappropriate behavior.
SOURCE: PD:020
SOURCE: Williams, J.W., & Egglund, S.A. (2005). *Human relations for career success* (6th ed.) [pp. 90-91]. Mason, OH: South-Western Cengage Learning.
65. B
Initiative. Workers who show initiative are willing to act without having to be told to do so. They are willing to accept or seek additional duties, which often exceed their employers' expectations. Workers who are competent and show initiative are often promoted to positions that give them more responsibility. Although courage, self-confidence, and self-control are admirable qualities that often lead to career advancement, these traits are not related to accepting additional work and working without a lot of direction.
SOURCE: PD:035
SOURCE: Kimbrell, G., & Vineyard, B.S. (2006). *Succeeding in the world of work* (pp. 486-488). New York: Glencoe/McGraw-Hill.
66. A
Socially irresponsible. It is socially irresponsible to price a lifesaving product so that the people who need it cannot afford. In some jurisdictions, it is considered price gouging, which is illegal. This action is not economically justifiable, charitable, or conscientious.
SOURCE: PI:015
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 139-140, 537). Woodland Hills, CA: Glencoe/McGraw-Hill.
67. C
Number of customer self-checkout stations. Electronic bar codes contain product price information. At the point of sale, the item is scanned into the cash-register terminal where the price is read and recorded. Today, more retailers are installing self-checkout stations. This allows customers to scan, bag, and pay for the items without the assistance of a cashier. Supermarkets and some discount stores are using self-check-out processes. The advantage to customers is that they don't need to wait in long lines for a cashier to process small purchases. Electronic bar codes do not increase transportation costs for customers or increase efficiency levels of pricing software programs.
SOURCE: PI:016
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 558-559). Woodland Hills, CA: Glencoe/McGraw-Hill.

68. B
Price fixing. Price fixing is an unethical activity in which businesses agree on the prices of their goods and services resulting in little choice for the consumer. In some countries, price fixing is illegal because it restricts competition. Bait and switch refers to an advertising scheme in which a business promotes a low-priced item to attract customers to whom the business then tries to sell a higher priced item. Loss leader pricing involves pricing a product below cost to attract customers to the business. Gray markets involve selling goods to unauthorized dealers for very low prices.
SOURCE: PI:017
SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 363-364]. Upper Saddle River, NJ: Pearson Prentice Hall.
69. D
Competitors have introduced similar products to the marketplace. During the growth stage of the product's life cycle, competitors are introducing similar products. To remain competitive, the business might lower prices and increase its promotional efforts to encourage brand loyalty. Businesses may set prices high during the introduction stage when early adopters are likely to buy and there is minimal competition. This will help the business to recover research and development costs.
SOURCE: PM:024
SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [p. 283]. Upper Saddle River, NJ: Pearson Prentice Hall.
70. D
Radio frequency identification. Radio frequency identification (RFID) technology involves the use of a wireless transmitter to store product information, such as the shipping history and the date the item was sold. To track the product, the transmitter or tag attached is to a pallet, the item's packaging, or the item itself. Electronic readers retrieve the tag information and feed it to a computer database where the business can store all of its product information in a central location. RFID technology improves efficiency levels of the product/service management function through all levels of the distribution channel. Integrated project planning software, three-dimensional drum scanners, and cyber-security applications are not used to track supplies and products.
SOURCE: PM:039
SOURCE: AIM, Inc. (n.d.). *What is RFID?* Retrieved December 14, 2010, from http://www.aimglobal.org/technologies/RFID/what_is_rfid.asp
71. C
Accurate information. Businesses have the social responsibility to ensure that they provide accurate information on their products' labels. Incomplete or inaccurate information on product labels may mislead customers because the labels do not provide all of the facts that customers need to make an informed purchasing decision. In addition, incomplete or inaccurate information on product labels poses potential harm to customers because they may use the product inappropriately. Or, the product may contain dangerous contents and need special handling. Testimonials and promotional copy may encourage customers to buy, but these components may not provide necessary information (e.g., contents, safety, instructions) for sound or well-informed decision making. Allowances are promotional funds provided by manufacturers to retailers. Allowances do not help customers make appropriate buying decisions.
SOURCE: PM:040
SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 227]. Upper Saddle River, NJ: Prentice-Hall.

72. D
Shifts in population ethnicity. A product opportunity is a favorable circumstance that presents itself to provide a good or service that customers are willing to buy. Kwan discovered a product opportunity to sell Korean goods when a Korean plant built and relocated Korean workers in his community. Because the number of Korean residents increased, the community experienced changes or shifts in population ethnicity. Kwan's store is a way to meet the unfulfilled needs of a very specific market. The example is not a product opportunity resulting from changes in travel habits, differences in priorities, or advancements in technology.
SOURCE: PM:134
SOURCE: Longenecker, J.G., Moore, C.W., Petty, J.W., & Palich, L.E. (2006). *Small business management: An entrepreneurial emphasis* (13th ed.) [p. 55]. Mason, OH: Thomson South-Western.
73. C
Encourage participation. Brainstorming is a creative-thinking technique that involves identifying as many ideas as possible during a certain time frame. Businesses often use the brainstorming technique to generate ideas for new or improved products. The facilitator helps keep the members of the group brainstorming session on track. This person keeps order, encourages participation, fosters a creative environment, and documents the ideas for further review. The facilitator should not evaluate the ideas or initiate debate during a brainstorming session. These actions may hinder the creative-thinking process and discourage group members from participating. The primary purpose of a facilitator is to lead the discussion, not improve relationships.
SOURCE: PM:128
SOURCE: Diamond, C. (2008, June 8). *Facilitating brainstorming sessions: Setting the stage*. Retrieved December 13, 2010, from <http://ideafacilitators.wordpress.com/2008/06/08/facilitating-brainstorming-sessions-setting-the-stage/>
74. C
Product contents. Grading is the process of rating products according to certain established standards or characteristics. To receive a certain grade, a product must meet established criteria, which indicates the uniformity or consistency among products. The contents of a product may affect how it is graded. For example, cuts or types of meat contain different levels of fat, so each type of meat may be graded on the percentage of fat per serving. Other products, such as gasoline, are graded on the basis of their chemical make-up. The inspection method, personal recommendations, and resource availability are not factors used to grade products.
SOURCE: PM:019
SOURCE: AMS Oil. (n.d.) *Motor oil viscosity grades*. Retrieved December 6, 2010, from http://www.upmpg.com/tech_articles/motoroil_viscosity/
75. A
Provide detailed written instructions. To protect customers, businesses must advise customers about how to use their products safely. Complex products that require assembly or that have multiple functions should provide detailed written instructions to help the customer assemble or use the product correctly. When the product is assembled or used correctly, there is less risk of injury to the product user and less risk associated with product damage. Offering a service guarantee, implementing a return policy, and using recyclable packaging are not actions that will help reduce the risk of personal injuries and product damage.
SOURCE: PM:017
SOURCE: J.P. Singer, G.M. Balliro, & N.D. Lerner. (2003, October). *Manufacturer's guide to developing consumer product instructions*. Retrieved December 13, 2010, from <http://www.cpsc.gov/library/foia/foia04/os/guide.pdf>

76. C

Creates a sense of value for the customer. Product bundling is the practice of selling multiple, related goods/services together as a one-price package. Bundled products are priced so that the customer pays less for the bundled products than they would pay for the products if the customer purchased each product individually. In some situations, the bundled product may not provide a great savings over individually purchased items, but just enough for the customer to feel that s/he is getting a deal or a good value. Product bundling is often used to get customers who happen to see the bundled package to try a new product; however, the business may also need to promote (e.g., advertise) the new product to let the masses know that the new product exists. Customers are less likely to comparison shop for less expensive goods when the items are bundled.

SOURCE: PM:041

SOURCE: Larmore, C. (2010, October 29). *E-commerce strategies: Selling bundled products*. Retrieved December 7, 2010, from <http://www.suite101.com/content/e-commerce-strategies-tips-on-how-to-sell-bundled-products-a302192>

77. C

Channel differentiation. The positioning strategies that businesses use depend on many factors including the type of product and the business's objectives. Businesses that use selective distribution channels choose the dealers and distributors (channel members) who will best represent the brand, be willing to learn about the product, and work hard to market the product for the business. By selecting the best suited distributors, the business is differentiating itself through its channel members. Depending on the business's objectives, the dealers or channel members will be responsible for communicating product attributes, quality, and value to the end users. Customization involves creating unique or one-of-a-kind products or activities for individuals or specific groups.

SOURCE: PM:042

SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 206]. Upper Saddle River, NJ: Prentice-Hall.

78. A

Benefits, consistently. A corporate brand is a brand that represents a company or parent business entity. An effective corporate brand uses a variety of tools that creates and reinforces certain impressions and images of the business in the minds of the consumers, which involves communicating the company's benefits. For example, an entertainment business's brand is likely to communicate the idea or image of "fun" as a benefit to consumers. To encourage consumers to associate "fun" with the business over time, the business should use consistent messages to reinforce the association between the business and "fun." Successful brands do not communicate motives in a vague way. Not all members of the target market may understand the business's jargon. Procedures are the processes that employees use to perform certain tasks. A business can deliver messages in different ways—ordinary or unusual—but the key is to deliver messages consistently, so the audience makes a connection with the brand.

SOURCE: PM:206

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [p. 289]. Upper Saddle River, NJ: Pearson Prentice Hall.

79. B

Points of difference. A corporate brand is the combined impressions, images, or experiences associated with a company or parent entity. A successful corporate brand will create awareness in a way that it separates itself from other brands. One factor the company should consider is the way in which its product attributes differ from those of competitors' products. By defining the points of difference, the company can use these differences as strengths to position itself against the competition and to provide the target market with a positive frame of reference about the brand. The business would not be successful if it positioned its corporate brand by concentrating on its areas of concern or factors involving high risk.

SOURCE: PM:207

SOURCE: Kotler, P., & Lane, K. 2006). *Marketing management* (12th ed.) [pp. 312-316]. Upper Saddle River, NJ: Prentice Hall.

80. A

Growth. The product life cycle is the stages through which goods and services move from the time they are introduced on the market until they are taken off the market. The amount and type of promotion the business uses for a product is affected by the stage of the product's life cycle. During the growth stage, there are typically more competing products on the market. During this time, the business is likely to use promotional activities to differentiate its product from those of its competitors. During the introductory stage, promotion efforts are designed to inform the target market that the new product exists. Because the product is well established on the market during its maturity stage, a business's promotional efforts tend to focus on reminding customers of the product's benefits. During the product's declining stage, sales drop because newer products are being introduced to the market. Less money is spent on promoting the product, which may be phased out or taken off the market.

SOURCE: PR:003

SOURCE: PR LAP 1—Spread the Word (Nature of Promotional Mix)

81. D

Puffery. Puffery is the practice of using exaggerated expressions or claims to describe a product or its features. Examples include using words such as the best, finest, freshest, etc., to describe products. These types of statements cannot be substantiated and do not contain facts. In many jurisdictions, puffery is illegal and may require businesses to stop using the exaggerated claims in their promotional materials. Collusion is price fixing or an illegal agreement in which businesses agree on prices of their goods and services resulting in little choice for the consumer. Stealth marketing is a deceptive practice in which a business tries to stimulate interest in a product without disclosing to the public that the business is paying others to create the "buzz." Ambush marketing is a promotional technique whereby a non-sponsoring business tries to associate with an event in order to gain recognition as a sponsor.

SOURCE: PR:099

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [pp. 385-386]. Upper Saddle River, NJ: Prentice Hall.

82. D

Social networking. Many businesses are establishing a marketing presence on various social-networking web sites. As the popularity of social networking (e.g., Facebook, Twitter, MySpace, LinkedIn) continues to grow, these types of web sites provide businesses with additional touch points in which to connect with existing or new markets. For example, a business might inform its "friends" or "fans" about a special event, provide product coupons, or post entertaining videos to generate interest. Businesses may also solicit and receive feedback about their goods and services. Broadcast media uses radio waves (i.e., television, radio) to reach their audiences. Just-in-time is an inventory method that orders goods just in time for them to be used or sold. Affiliate advertising is the process of promoting and selling another business's products on a web site in exchange for a sales commission.

SOURCE: PR:100

SOURCE: Montealegre, A. (2010, July 29). *Facebook-an advantage or not?* Retrieved September 7, 2010, from <http://ezinearticles.com/?Facebook—An-Advantage-Or-Not?&id=4760027>

83. C

Require the company to place corrective advertising. Corrective advertising involves placing messages in various media to retract an inaccurate statement or to correct the public's false impression about a product's features or abilities. Placing corrective advertising is often a major financial cost to a company, and may also negatively affect the company's reputation. The government may also require a company to cease running the deceptive ads and require the company to pay a fine. The government is not likely to imprison the company's CEO, and it does not have the jurisdiction to increase the company's sales-tax rate for the purpose of punishing the company's wrongdoing. It is not enough to rewrite the deceptive advertising copy—the revised or corrected copy must be communicated to the appropriate audience.

SOURCE: PR:101

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [pp. 391-392]. Upper Saddle River, NJ: Prentice Hall.

84. C
Organic marketing. Word-of-mouth promotion occurs when customers tell others about their satisfaction with the business. Organic word-of-mouth promotion occurs naturally. Because customers are satisfied with the business and its products, they enthusiastically tell others about their satisfaction in the course of normal conversation. In some situations, customers trust and like the product so much that they become product advocates—putting in a good word whenever and wherever they can. Virtual marketing involves communicating product information via the Internet. Mobile marketing involves communicating information via mobile devices and networks (e.g., smartphones). Shill marketing involves employing people to pose as customers who are satisfied with a business's product using word-of-mouth techniques. Shill marketing is unethical behavior, and in some jurisdictions, it is an illegal practice.
SOURCE: PR:247
SOURCE: WOMMA. (2010). *Organic vs. amplified word of mouth*. Retrieved December 9, 2010, from <http://womma.org/wom101/4/>
85. D
Product placement. Product placement is a sales-promotion strategy in which a product or brand is mentioned or used as a prop by types of media such as television, film, or the theater. For example, fans of the television series *Friday Night Lights* will often see the television characters eat in an Applebee's restaurant. The intent of product placement is to generate and reinforce brand awareness with a target market. Brand identification is the process by which all of the branding elements work together to generate instant consumer recognition of a company or product. The use of props in television shows and movies is not called product programming.
SOURCE: PR:249
SOURCE: Solomon, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [p. 428]. Upper Saddle River, NJ: Pearson Prentice Hall.
86. B
Blogs. A blog is an online diary or journal. Businesses use blogs as an informal way to share company news, awards, research findings, trends, "how-to" information, product updates and uses with their various publics. Blogs are interactive when they have applications that allow readers to post comments or respond to blog postings. The ability to obtain feedback from blog readers is helpful to businesses in gauging public opinion about their activities. Faxes, publications, and DVDs are communication methods used to share public-relations information; however, these are not interactive communication methods.
SOURCE: PR:250
SOURCE: Mednick, B. (2010, December 3). *Blogs effective online pr tool*. Retrieved December 8, 2010, from <http://www.site-booster.com/blog/2010/12/blogs-effective-online-pr-tool/>
87. D
Create visual appeal. Because readers are bombarded with promotional messages, an advertiser must coordinate the ad elements in ways that create visual appeal and attract the reader's attention. Visually appealing ads support the ad's primary message and theme. A subliminal message contains hidden or dual meanings that the message recipient may be conscious of. Although many ads contain subliminal messages, the reader will not be exposed to the message unless the ad attracts his/her attention. The nature of the product and the advertiser's promotional objectives determine whether the ad should include humor or communicate quality.
SOURCE: PR:251
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 423-424). Woodland Hills, CA: Glencoe/McGraw-Hill.

88. C

Coordinating speaking engagements for employees. The public-relations department is a division of a business that is responsible for establishing good relations between the business and its publics. The various publics include the business's target market, its stakeholders, the local business community, its employees, and local residents. One activity that a public-relations department coordinates is speaking engagements for the business's employees. For example, a local civic group might ask the public-relations department if a member of the business's executive-management staff could speak to the group about a particular issue that is affecting the community. The public-relations department would work with the appropriate employee to schedule the speaking engagement. The research and development department conducts product research and develops product prototypes. Developing job descriptions is a human-resources activity. The advertising department selects media for the business's advertising.

SOURCE: PR:252

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (p. 456). Mason, OH: South-Western.

89. B

Media. A business's public-relations department is responsible for establishing and maintaining good relations between the business and the public. The public often consists of external audiences such as customers, local businesses, the media, and local residents. The public also consists of internal audiences such as employees, shareholders, and boards of directors. An important aspect of the public-relations function is communicating information about the business to the public. An effective way of communicating to many of the business's audiences and obtaining publicity is through the media—television, radio, newspapers, etc. By sending press releases or holding press conferences, the business can obtain publicity about its new products, community service projects, expansion plans, etc.

SOURCE: PR:253

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (p. 456). Mason, OH: South-Western.

90. A

Hold a prize drawing or raffle. During trade shows, exhibitors are competing for the attention of the trade-show attendees. Therefore, exhibitors need to plan activities that will increase their visibility and provide incentives that encourage attendees to remember their goods and services. Some exhibitors hold a drawing (raffle) for a prize. Prizes might include gift certificates for goods or services or large items, such as cars or boats. Because attendees must provide some basic information to put their names into the drawing, exhibitors can hold onto the information and send follow-up materials (e.g., sales letters, coupons) after the trade show. Providing business cards is important, but does not attract attention. The type of the trade show and the size of the booth determines the need for seating.

SOURCE: PR:254

SOURCE: Byer, J. (n.d.). *Tips for a successful trade show*. Retrieved December 8, 2010, from <http://www.businessknowhow.com/marketing/trshowsucces.htm>

91. B

Are usually less expensive than national trade shows. Trade shows are events where businesses display and/or demonstrate their products to build sales leads and interest. A business considers many factors when deciding to participate in a particular trade show. Some factors that businesses consider are the trade-show location, travel and hotel expenses, booth costs, target audience, and the number of expected visitors. Regional trade shows involve exhibiting to an audience located in a particular geographical area, whereas national trade shows involve exhibiting to a national audience. There are advantages and disadvantages in exhibiting at both types of trade shows. Regional trade shows tend to be less expensive because the travel and exhibition costs are generally lower than the larger national trade shows. And because regional trade shows attract a small audience, they provide more time for exhibitors and attendees to interact. Not all regional shows are held at desirable destinations such as Disneyworld. Trade shows can provide a business with an opportunity to gain exposure and contacts; however, most businesses do not generate a substantial portion of their sales during the trade show.

SOURCE: PR:255

SOURCE: Clow, K.E., & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [pp. 345-346]. Upper Saddle River, NJ: Prentice Hall.

92. D

Allocate a portion of its budget to promote the new product. If the business does not communicate information about its new product, the target market will not know that the item is available for purchase. This, in turn, will hinder new-product sales. Therefore, it is not in the business's best interest to delay setting a budget or to hold off promoting the new product. Depending on the stage of the existing products' life cycles, it may not be wise for the business to focus most of its promotion on the new product.

SOURCE: PR:073

SOURCE: Soloman, M., Cornell, L.D., & Nizan, A. (n.d.). *Create the promotional plan*. Retrieved September 2, 2010, from <http://www.flatworldknowledge.com/pub/1.0/launch-advertising-and-promoti/28525#web-28525>

93. C

Ensuring that the order is processed correctly. Customers are not going to be satisfied if they receive the wrong size, color, quantity, or type of item. Therefore, salespeople should take steps to ensure that the order is processed correctly. The salesperson can do this by checking the status of the order after it is keyed into the computer to make sure that the order is exactly what the customer wants. The salesperson may need to work with vendors, coworkers, and departments, such as inventory control and the shipping department, to ensure that there aren't any bottlenecks or problems with the order. Salespeople should know about competitors' products, provide samples, and use suggestion selling before the customer decides to buy. Suggestion selling during the follow-up phase of the sale would involve placing another order.

SOURCE: SE:076

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

94. B

Return. Selling policies are the general rules established by management to guide the personal-selling effort and outline how things must be done. Selling policies ensure that all customers are treated fairly and consistently. Return policies are types of service policies. Return policies guide the conditions under which customers may return goods to the business for cash or credit. Factors that affect return policies include proof of sale (receipt), time limits, and the condition of the item, such as if it has been used. Terms-of-sale policies focus on the aspects of a sale with which customers are most concerned—price, discounts, delivery, guarantee, and credit. Discount policies are types of terms-of-sale policies and involve providing customers with discounts for early payment, trade-ins, or high-quantity purchases. A guarantee is a promise made to the consumer that a product's purchase price will be refunded if the product is not satisfactory.

SOURCE: SE:932

SOURCE: Greene, C. (2003). *Selling: Business 2000* (p. 150). Mason, OH: South-Western.

95. C

To win a departmental sales contest, a salesperson claims to have processed a sales transaction before it has been formalized. Selling ethics can be compromised in many ways—with vendors, subordinates, customers, and coworkers. An example of unethical selling behavior that affects coworkers may occur when a salesperson states that a sale has been made to win a contest, when, in fact, the order has not been finalized. This is dishonest behavior that robs a coworker from winning the contest that s/he worked hard to earn. Awarding a contract after receiving Super Bowl tickets may be viewed as bribery between a business and its vendor. A manager who restructures territories and sets unachievable quotas for sales staff to reduce commissions is negatively impacting the manager-employee relationship. Withholding information from a customer to make a sale is unethical behavior that impacts the buyer-seller relationship.

SOURCE: SE:106

SOURCE: SE LAP 129—Keep It Real—in Sales (Selling Ethics)

96. B

Smartphone. Smartphones, such as Blackberries and iPhones, are mobile devices that salespeople can use to make telephone calls, access the Internet, manage contacts, schedule appointments, and send wireless faxes while calling on customers. Smartphones also contain digital cameras, which are often useful when salespeople must take photographs of goods or spaces that require customized products. Because smartphones have many applications and are small enough to fit into a coat pocket, salespeople no longer need to carry around laptops, personal data assistants, etc. Pagers have capabilities such as telephone message notification and e-mail, but do not have the same capabilities as smartphones. A kiosk is a stand-alone structure placed in public places that is designed to provide information and sell products. Micro kiosks are smaller and more compact than traditional kiosks. A router is a device that intercepts and forwards signals on a computer network, allowing users to obtain wireless Internet access.

SOURCE: SE:107

SOURCE: Ingram, T.N., LaForge, R.W., Avila, R.A., Schwepker, C.H., & Williams, M.R. (2008). *Professional selling: A trust-based approach* (4th ed.) [pp. 277-278]. Mason, OH: South-Western Cengage Learning.

97. C

Business defamation. Governments regulate selling practices to protect buyers and sellers. Many jurisdictions have business-defamation laws that prohibit untrue or unsubstantiated statements that intend to damage the reputation of another business. Therefore, businesses must take steps to train their salespeople so they know what they can and cannot say to customers. Price discrimination is an illegal activity in which a business charges different customers different prices for similar amounts and types of products. Offering or accepting bribes in a selling situation is a common practice among some foreign countries, but is illegal behavior in other countries that view it as corruption. The example does not involve product infringement.

SOURCE: SE:108

SOURCE: Tanner, J.F., Honeycutt, E.D., & Erffmeyer, R.C. (2009). *Sales management: Shaping future sales leaders* (pp. 76-78). Upper Saddle River, NJ: Prentice Hall.

98. B

Product uses. Because customers want to know the benefits of a product's features before making the decision to buy, salespeople must be prepared to communicate this information. Some products perform multiple functions, which is a benefit to customers because they do not need to buy individual items to perform each function. In the example, the e-reader has multiple uses—reading functions, audio functions, library storage, and Internet access. The example does not communicate information about the e-reader's construction and materials, durability, appearance, or style.

SOURCE: SE:109

SOURCE: SE LAP 113—Find Features, Boost Benefits (Feature-Benefit Selling)

99. C

Would you like to use your credit card to pay for the camera? During the reaching closure phase of the selling process, the salesperson asks the customer to buy. One technique salespeople use to close the sale is a direct approach—asking for the order. One way is to ask the customer how s/he would like to pay for the item. The question about how the customer plans to use the printer is asked during the discovering customer needs of the selling process. During the prescribing solutions phase, the salesperson will present the features and benefits of the item. During the approach phase of the selling process, salespeople often ask how they can help the customer.

SOURCE: SE:048

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 317-318). Woodland Hills, CA: Glencoe/McGraw-Hill.

100. B

Facts. Buyers' motives can be classified into three broad categories—rational, emotional, and patronage. Rational buyers make decisions based on facts and logic, and often involve considering convenience, durability, time, and money. Because Carlos considered gas mileage, product ratings, and warranty information, he used rational buying motives based on facts. Patronage motives involve loyalty to a brand or business. Emotional buying motives involve basing purchasing decisions on personal feelings, intuition, and opinions. Many emotionally based buying decisions involve projecting a certain appearance or social status.

SOURCE: SE:359

SOURCE: Burrow, J.L. (2006). *Marketing: Instructor's wraparound edition* (2nd ed.) [pp. 150-151]. Mason, OH: Thomson/South-Western.